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ABSTRACT

This publication tracks U.S. school choice efforts, examining research on their results. It includes: current public school data on expenditures, schools, and teachers for 2000-01 from a report by the National Education Association; a link to the states' own report cards on how their schools are performing; current private school information from a 2001 report by the National Center for Education Statistics; state rankings on the new Education Freedom Index by the Manhattan Institute in 2000; current National Assessment of Educational Progress test results released in 2001; and updates on legislative activity through mid-July 2001. After discussing ways to increase opportunities for children to succeed, research on school choice, and public opinion, a set of maps and tables offer a snapshot of choice in the states. The bulk of the book contains a state-by-state analysis that examines school choice status; K-12 public schools and students; K-12 public school teachers; K-12 public and private school student academic performance; background and developments; position of the governor/composition of the state legislature; and state contacts. An appendix presents national organizations that promote school choice. (Contains approximately 690 endnotes.) (SM)

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SCHOOL CHOICE 2001

ED 460 188

WHAT'S HAPPENING IN THE STATES

Edited by Robert E. Moffit, Ph.D.,
Jennifer J. Garrett and Janice A. Smith
Foreword by Howard Fuller

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School Choice 2001

What's Happening in the States

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Edited by Robert E. Moffit, Ph.D.,
Jennifer J. Garrett, and Janice A. Smith

The Heritage Foundation

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Table of Contents

Acknowledgments iv
Foreword v
Introduction vii
Increasing Opportunities for America's Children to Succeed ix

Snapshots of Choice in the States

Map A: School Choice and Charter School Programs: 2001 xxiv
Table 1: School Choice and Charter School Programs xxv
Map B: Private Scholarship Programs ... xxvi
Table 2: Private Scholarship Organizations and Programs xxvi
Table 3: Governor Support of State Vouchers and Composition of State Legislatures xxix
Table 4: Private Elementary and Secondary Schools, 1999–2000 xxx

State by State Analysis

About the State Profiles xxxiii
Alabama 1
Alaska 3
Arizona 5
Arkansas 11
California 15
Colorado 25
Connecticut 31
Delaware 35
District of Columbia 39
Florida 45
Georgia 53
Hawaii 59
Idaho 63
Illinois 67
Indiana 73
Iowa 77
Kansas 81
Kentucky 85
Louisiana 89
Maine 93
Maryland 97
Massachusetts 103
Michigan 111
Minnesota 119
Mississippi 125
Missouri 127
Montana 133
Nebraska 135
Nevada 137
New Hampshire 141
New Jersey 145
New Mexico 151
New York 157
North Carolina 169
North Dakota 175
Ohio 177
Oklahoma 185
Oregon 189
Pennsylvania 193
Rhode Island 201
South Carolina 203
South Dakota 207
Tennessee 209
Texas 213
Utah 221
Vermont 225
Virginia 229
Washington 235
West Virginia 241
Wisconsin 243
Wyoming 251
Mariana Islands 255
Puerto Rico 257

Glossary

A School Choice Glossary 259

Appendix

National Organizations that Promote School Choice 261

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School Choice 2001: What's Happening in the States owes much to the painstaking work of school choice advocates around the country who invest their time, talent, and resources to improve and expand educational opportunities for America's children. Many of these individuals keep our analysts and research assistants abreast of school choice initiatives and activities in their states. Too many to name, we owe all of our "state contacts" our deepest thanks. But we would be remiss not to give special recognition to those who worked most closely with us on this edition: Judy Alger and State Representative John Alger of New Hampshire, Lewis Andrews of Connecticut, Brian Backstrom of New York, George Clowes of Illinois, Zack Dawes of Texas, Dr. Anne Fox-Clarkson of Idaho, Joni Gardner of Maryland, Mary Gifford of Michigan, Patrick Heffernan of Florida, Frank Heller of Maine, Jeff Judson of Texas, Lisa Keegan of Arizona, Rob Kremer of Oregon, John McClaughry of Vermont, Susan Mitchell of Wisconsin, Rob Natelson of Montana, Senator Kay O'Connor of Kansas, Representative Fern Shuberg of North Carolina, Jim Spady of Washington State, Libby Sternberg of Vermont, Lil Tuttle of Virginia, Nancy Verber of Georgia, and Linda Williams of North Carolina.

This annual analysis also relies heavily on the exceptional work of organizations like the Center for Education Reform, the Friedman Foundation, the Education Commission of the States, and Children First America that dedicate their resources to promote school choice. They analyze legislation and key developments, monitor meetings, distribute fax and e-mail alerts, work with policymakers to craft good laws, and compile excellent state-by-state evaluations and rankings. Over the years, their work has proved to be solid, credible, timely, and extremely important to the public debate about school choice. We greatly value their efforts and sincerely appreciate their direct and indirect contributions to this ongoing project.

No product of this magnitude could be accomplished without the efforts of many committed people at The Heritage Foundation. We thank especially Nina Shokraii Rees, former Senior Education Policy Analyst, whose work on previous editions forms the core of this one; Thomas Dawson, Fellow in Educational Affairs, who generously gave his time to assuring that we had the latest and best information on the people and their efforts at the grassroots level; Rea Hederman, Manager of Operations for the Center for Data Analysis, and Kirk A. Johnson, Ph.D., Policy Analyst in the Center for Data Analysis for their assistance on standardized testing; and the former and current domestic policy interns who unfailingly and cheerfully assisted the staff in many ways to update the information herein, Marie Fishpaw, Robert Talerico, and Kathleen Sullivan.

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The Editors

Foreword

Howard Fuller

As we say in the Black Alliance for Educational Options (BAEO), children are our most precious resource. It is our responsibility to love them, nurture them, and protect them. It is also our responsibility to ensure that they are properly educated. The mission of BAEO is to actively support parental choice to empower low-income parents to choose the learning environments that they believe are best for their children.

School choice, however, is often misunderstood by well-meaning people or distorted by those who oppose it. The term is often used to mean only vouchers. We at BAEO do indeed believe that means-tested vouchers are one form of parental choice, and a very important form; but we also recognize that choice means more than just vouchers. It means policies that give families the capacity to choose from a wide range of learning environments the ones that will enable their children to succeed. These options could be public or private, and they could operate outside the standard institutional framework of schooling.

Choice advocates like BAEO support a variety of policy initiatives that provide options to parents and kids—such as charter schools, public–private partnerships, means-tested vouchers, contract schools, home schooling, cyber schools, independent schools, and historic schools, as well as innovative governance arrangements in the existing educational institutions.

What we need is equity and access. The dictionary defines equity as "something that deals fairly and equally with all concerned. A body of legal doctrines and rules developed to enlarge, supplement, or override a narrow system of law." Obviously, equity is a relative term: When can we declare that equity has been achieved? What does it look like?

For me, the quest for equity is an eternal struggle that manifests itself in the push for respect, dignity, influence, and self-determination. The degree to which we achieve equity is the degree to which we are truly able to be respected, to function with dignity, to exercise influence over our lives, and in the end to determine for ourselves the course of our reality.

Access, in a word, means accessible. For our purposes, we must ask whether parental choice enhances accessibility for the children with the greatest needs. I believe it does.

The issues of equity and access as they relate to parental choice must be seen within the framework of four critical concepts of the "American ideal":

- The mission of education,
- Freedom,
- Democracy, and
- Power.

Four quotes best capture these concepts and their interrelationships.

1. **The Mission of Education.** As Richard Shaull and Paulo Friere explain, "There is no such thing as a neutral educational process. Education functions as either an instrument which is used to facilitate the integration of the younger generation into the logic of the present order and bring about conformity to it, or it becomes the *practice of freedom*, the means by which men and women learn to deal critically and creatively with reality to participate in the transformation of their world."
2. **Freedom.** Martin L. King, Jr., asks, "What is Freedom? It is first the capacity to deliberate or weigh alternatives. 'Shall I be a teacher or a lawyer'.... Second, freedom expresses itself in a decision.... When I make a decision I cut off alternatives and I make a choice.... A third expression of freedom is responsibility. This is the obligation of the person to respond if he is questioned about his (or her) decision."
3. **Democracy.** Kenneth Clark explains that "[The] substance rather than the verbalization of democracy depends upon our ability to deepen the insights of the people. Only an educated people can be expected to make the types of choices which assert their

freedoms and reinforce their sense of social responsibility. In many areas of the country poor African American children are being precluded from being effective participants in the democracy because we are failing to educate them.... Too many of our children are being asked to wait until a new 5 year plan is developed in order to develop another 5 year plan that will at some point improve their education. Too many of our children are being forced to stay in schools that do not work for them and frankly may not have worked for their parents. They lack the power to influence the educational institutions that continue not to serve them well."

4. **Power**. In America, you must have power if you intend to change decisions, practices, policies, and institutions that affect your life. Sarah Lawrence Lightfoot was on point about power and education when she said: "A critically important ingredient of educational success for Black and white children lies in the power relationships between communities and schools, rather than in the nature of the school population.... [T]he nature and distribution of power among schools, families and communities is a crucial piece of the complex puzzle leading toward educational success for all children."

I contend that the right kind of parental choice program does indeed give a measure of equity to people who have long been denied a real voice in the educational affairs of their children. It provides access to educational environments that were inaccessible or did not exist previously. It provides a way out for children who need an escape hatch while at the same time putting pressure on the existing system to change.

School choice programs—by providing a measure of equity and enhanced accessibility—increase the likelihood that many more children will gain the skills they need to engage in the practice of freedom. By giving low-income parents an opportunity to choose schools, public or private, that might work best for their children, we can increase the level of equity and access in this society.

Choice at its core is an empowerment strategy. Many more states and communities must give poor parents the power to choose schools where their children will succeed, whether public or private, non-sectarian or religious. And we must give schools incentives to value children and work to meet their needs. The realization of democracy is tied up in our struggle to educate our children. In the end, the more children we educate, the better our chances are of sustaining and deepening the democracy.

—Howard Fuller, Ph.D., President of BAEO, is Director of the Institute for the Transformation of Learning at Marquette University. A former Superintendent of the Milwaukee Public Schools who spearheaded reforms that improved reading scores and standardized test performance, he is a nationally known advocate of choice and charter schools.

Introduction

When the National Center for Education Statistics released its annual report card in April 2001 on how well the education system in America is teaching children to read, the results were disappointing. Despite the nation's investment of billions of dollars in education over the past 36 years, the National Assessment of Educational Progress (NAEP) found that some 68 percent of 4th graders still could not read at a proficient level. Over the past 20 years, in fact, NAEP scores for 4th and 8th graders in reading, math, and science have remained flat, despite public and private expenditures that are 72 percent higher today than in 1980. Total spending on education in 1999–2000 alone reached an estimated $389 billion. Yet, as the research also shows, the gap in achievement between the nation's poor and non-poor students continues to widen. If there were any way to spend our way out of this predicament, we would have done so already.

Nevertheless, the outlook is far from bleak. Many states provide ample opportunities for children to excel by offering parents and children more educational choices. Some states, for example, allow students to transfer between public schools within or outside their home district; enroll in publicly chartered schools designed by parents, teachers, universities, or organizations that have more flexibility with curriculum in exchange for accountability; use vouchers or tuition scholarships to attend private school; and use tax-free educational savings accounts to help pay for such expenses as tuition and tutoring. Some states also allow individuals and corporations to claim a tax deduction for contributing to private scholarship funds.

Such school choice is having a significant impact. Research shows that the academic performance of the students in these programs improves; parents become more involved; and public school systems improve as well. Competition, as a result of choice, has created an environment in which mediocrity and the status quo are no longer in vogue.

This edition of *School Choice: What's Happening in the States* continues tracking these efforts in the states as well as the research evaluation of their results. This volume, however, is unique in the field of choice in that it is the first published compilation on education in the states that includes all of the following:

- **The most recent public school data** on expenditures, schools, and teachers (for 2000–2001), from a report released in May 2001 by the National Education Association;
- **A link to the states' own report cards** on how their schools are performing at *http://www.heritage.org/reportcards.*
- **The most recent private school information**, from a July 2001 report by the National Center for Education Statistics;
- **State rankings** on the new *Education Freedom Index* released by the Manhattan Institute in September 2000;
- **The most recent NAEP test results** released in April 2001; and
- **Updates on legislative activity** through mid-July 2001.

It is our hope that parents, education professionals, researchers, policymakers, education reformers, and school choice advocates will find this information useful, and continue striving to improve America's education system so that, as President George W. Bush demands, "no child is left behind."

Updates to This Information. Each edition of *School Choice: What's Happening in the States* is posted in its entirety at *http://www.heritage.org/schools/.* Updates to this volume will be posted regularly on this edition's Web site to ensure that users of this resource have access to the latest information available. We encourage our readers, school choice advocates, teachers, and parents to help keep us abreast of what's happening in their states by e-mailing Thomas Dawson, our school choice expert, at *tom.dawson@heritage.org* or calling us at (202) 546-4400.

School Choice 2001

Increasing Opportunities for America's Children to Succeed

Jennifer J. Garrett

The school choice movement to empower more parents, particularly low-income parents, to choose the schools their children will attend continues to grow. The 2000 election campaigns focused much-needed attention on the problems plaguing public education and heightened interest in school choice in state legislatures and school districts across America. Consider:

- 38 states this year, compared with 21 last year, have considered legislation to create charter schools or voucher programs that would enable low-income parents to choose the best schools for their children.
- Thirty-seven states and the District of Columbia have enacted a charter school law.
- At least 31 states this year, compared with 18 last year, have considered tax credits or deductions for educational expenses or contributions to scholarship programs for low-income students. Six states already have such laws, and the U.S. Congress just approved—as a part of the tax bill—a provision for tax-free educational savings accounts.
- More than 50,000 students have benefited from almost 100 privately funded scholarship programs that allow them to attend a school of choice, and another 12,000 have benefited from five publicly funded programs.

School choice is gaining more allies from Main Street to Pennsylvania Avenue. President George W. Bush has made school choice an important element of his education platform "to leave no child behind." And Senators Joseph Lieberman (D–CT) and Thomas Carper (D–DE), as well as Representative Ralph Hall (D–TX), are among the Democrats in Congress who have introduced or supported legislation to expand choice for low-income families.[1] The reason: A richer and more impressive body of research is demonstrating that choice improves academic performance of at-risk students, promotes parental involvement, and fosters competition and accountability in public school systems.

Choice matters, because public school children simply are not making the gains parents expect based on the sizeable amount government spends each year on education—a fact reinforced by the lackluster results of the 2000 National Assessment of Educational Progress (NAEP) in reading.[2] For almost four decades, America has tried to solve its education problems by pouring more and more money into the system, yet America's children are falling behind many of their international peers on tests of core academic knowledge. Merely increasing spending without demanding accountability for results does not guarantee increased learning, higher test scores, and more high school graduates.

Public schools certainly need adequate funding to help their students excel, but they also need to be held accountable for results. Testing and choice are two policies that result in greater accountability. For this reason, President Bush's *No Child Left Behind* education reform plan, released in January 2001, included proposals to improve both testing and choice.[3] As the experi-

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1. Senator Lieberman proposed a $200 million fund to help school districts develop school choice initiatives. See Charles Ornstein, "As Voucher Debate Goes On, Public School Choice Thrives," *The Salt Lake Tribune*, February 19, 2001.
2. The National Center for Education Statistics released *The Nation's Report Card: Fourth-Grade Reading 2000* in early March 2001. According to that report, 4th grade reading scores nationwide were comparable to the 1996 scores. See the findings at *http://nces.ed.gov/nationsreportcard*.
3. The President's proposal, *No Child Left Behind*, is available at *http://www.whitehouse.gov/news/reports/no-child-left-behind.html* (March 19, 2001).

ence in many of the states shows, regularly testing students and publicizing the results motivates teachers and schools to improve, while vouchers enable disadvantaged students to escape schools that have continually failed to help them learn.

School choice challenges the status quo by arguing that mediocrity is just not good enough for America's students. Even former critics of school choice now agree that choice makes a difference. John Witte, a professor at the University of Wisconsin–Milwaukee who was hired by Wisconsin to evaluate the effectiveness of the Milwaukee Choice Program, concluded from his original research that expanded choice had little impact. But, based on overwhelming evidence accumulating since his original study, he now concedes that choice can be a "useful tool to aid low-income children."[4]

It is this growing awareness that is bringing education experts like Dr. Howard Fuller, former Superintendent of Milwaukee Public Schools, current President of the Black Alliance for Educational Options, and Director of the Institute for the Transformation of Learning at Marquette University, on board the school choice bandwagon. As Dr. Fuller pointedly observes in many of his speeches, "The only people who are trapped in schools that don't work for them or their parents are the poor. We've got to create a way where the poorest parents have some of the options."[5]

Congress has an important role to play in facilitating choice for poor parents, particularly in reauthorizing the 36-year-old Elementary and Secondary Education Act (ESEA), with its numerous categorical programs. The federal government has sent roughly $130 billion in tax dollars to the states to fund them. Despite billions spent under ESEA Title I alone to close the achievement gap between economically disadvantaged students and their peers, the gap continues to widen.[6] What is needed are measures that promote choice with accountability and flexibility. States accepting these funds expend significant time, at great cost, to meet complicated federal formula and application guidelines, yet they are not required to show that the children in their programs are improving academically. Parents are understandably disillusioned. They deserve results, and they need accountability to regain their faith in public education.

Perhaps this is why the House and Senate included President Bush's proposal to require annual testing for all students in grades 3–8 in their respective versions of H.R. 1.[7] Such testing will enable districts to improve curricula and parents to see how well their children's schools are doing. Parents of disadvantaged children in persistently failing or unsafe schools can now carry their federal dollars to another public school of choice within the district, unless prohibited by state or local law.

Congress should foster large-scale demonstration projects to build a reliable database from which to evaluate the benefits of choice. The President had included such a proposal in his education plan, but neither the House or Senate chose to pursue it in H.R. 1. Congress should also support the states' efforts to increase academic achievement by giving them more flexibility in spending their federal program dollars but requiring them to be accountable for results. Without such sound policies, there is little reason to expect better results in the future.

Publicly Funded School Choice

Efforts by the states to improve their public school systems increased in 2000, led by states like Florida and Illinois.

Governor Jeb Bush (R) and T. Willard Fair of the Urban League of Greater Miami helped **Florida** to become the first state to offer parents a "money back guarantee." This statewide plan allows students in schools that fail state assessments in two out of four years to carry their per-pupil public dollars to another school through

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[4] See Joe Williams, "Ex-Milwaukee Evaluator Endorses School Choice," *The Milwaukee Journal Sentinel*, at *http://www.jsonline.com/news/Metro/jan00/witte09010800a.asp* (January 8, 2000).

[5] Communication with the author, July 25, 2001.

[6] See Kirk A. Johnson, Ph.D., and Krista Kafer, "Why More Money Will Not Solve America's Education Crisis," Heritage Foundation *Backgrounder* No. 1448, June 11, 2001.

[7] George Archibald, "House Rejects Bush Plan for School Choice; Bill on Education Reform Passes," *The Washington Times*, May 25, 2001. H.R.1 passed the House on May 23, 2001. S.1 passed the Senate on June 14, 2001.

"opportunity scholarships." In the program's first year (1999–2000), 134 families in two Pensacola elementary schools qualified; 78 of them used the scholarships to transfer their children to another public school.[8] Last year, no new vouchers were offered because the schools had reformed sufficiently to avoid a failing grade. More than 1,000 students used the state's scholarships for disabled students to attend 100 private schools.[9]

Illinois instituted a tax credit for up to 25 percent of education-related expenses (such as tuition and book fees) that exceed $250 per child or $500 per family. A court challenge to this initiative by the Illinois Education Association and other organizations failed.

The National Research Council, in *Making Money Matter: Financing America's Schools*, a 1999 report commissioned by the Clinton Administration, recommends that the federal government conduct a "large and ambitious" research experiment to determine whether school choice programs improve student performance. It points out that, while housing, welfare, and medical policies are subjected to frequent research to test their effectiveness, school choice is not.[10]

Members of Congress agree, but have had a difficult time getting legislation passed. In the 2001 legislative session, Senator John McCain (R–AZ) proposed a four-year pilot voucher program for low-income students in the worst-performing public schools in Washington, D.C., but then withdrew his bill. Senator Judd Gregg (R–NH) introduced a pilot voucher program for low-income students in school systems in up to 10 cities and three states. The program would have provided an opportunity to evaluate the effect of vouchers on student performance and the public school systems involved.[11] This effort failed by a vote of 58 to 41 on June 12, 2001.[12]

On a positive note, the 107th Congress approved, as a part of the tax bill,[13] a provision to allow parents to place money in tax-free educational savings accounts for educational expenses at public or private K–12 schools. This is an expansion of a college savings program that allows contributions of up to $2,000 to be deposited in a child's account each year.

Charter School Developments

The first charter school opened its doors in 1992. As of February 2001, more than 2,000 charter schools in 34 states and the District of Columbia were serving over half a million children.[14] Indiana recently joined 36 states and the District of Columbia in enacting a law to establish charter schools. And several states are responding to the growing popularity of charter schools by lifting their caps on the number of schools that can be opened.[15]

Commonly, charter schools are public schools that emphasize more parent and teacher involvement in education. The mere presence of charter schools introduces flexibility and accountability into a public school system. The establishment of charter schools pushes district schools to compete in offering students a high-quality education, as research by Robert Maranto of Villanova University, Scott Milliman of James Madison University, Frederick Hess of the University of Virginia, and independent scholar April Gresham shows. Based on a March 1998 survey of Arizona public school teachers, for example, these researchers found that the opening of charter schools was followed by widespread changes in public school systems between 1994 and 1998:

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[8] As of March 2001, 53 students from these schools are using the vouchers. See Jessica Sandman, "Study Finds 'Voucher Effect' in Florida Test Gains," *Education Week*, February 21, 2001.

[9] Under the program, a disabled child in any public school who cannot meet individual performance goals can qualify for a voucher to attend a private school. See "Voucher Program for Disabled Quietly Enrolls 1,004 Students," *News-Journal Online*, February 5, 2001.

[10] Helen F. Ladd and Janet S. Hansen, eds., *Making Money Matter: Financing America's Schools*, Committee on Education Finance, National Research Council, 1999.

[11] Staff Report, "A Voucher Test," *The Washington Post*, June 4, 2001.

[12] George Archibald, "Reduced Voucher Plan Dies in Senate," *The Washington Times*, June 13, 2001.

[13] The Economic Growth and Tax Relief Reconciliation Act of 2001 (H.R. 1836) was signed into law on June 7, 2001.

[14] New Hampshire and Wyoming have enacted weak charter school laws but have not opened any charter schools. Indiana just passed a strong charter school law, so no charters have been approved. Center for Education Reform, "Charter School Highlights and Statistics," at *http://www.edreform.com* (May 2001).

[15] Kate Zernike, "A Second Look: Chartering the Charter Schools," *The New York Times*, March 25, 2001.

- Districts reformed school curricula, in particular by increasing the number of back-to-basics programs such as Spaulding Phonics and offering additional Montessori schools;
- Districts made greater attempts to inform parents about school programs and options;
- Districts placed greater emphasis on professional development for teachers; and
- School principals increased consultations with their teaching staffs.[16]

Maranto also reports that many districts replaced the principal of a school that had lost a significant number of students to charters.[17] Another study found that charter schools are more consumer-friendly, treat parents better than do the traditional public schools, and are evolving as a substitute for private schools.[18]

Two U.S. Department of Education reports released in June also indicate that public school districts respond positively to the formation of charter schools. According to the first report, *The Challenge and Opportunity: The Impact of Charter Schools on Districts*, districts report changing their services and operations, suggesting that competition can play a positive role in helping to improve public schools. The second report, *A Study of Charter School Accountability*, argues that accountability can lead to better instruction and stronger schools. Traditional school districts can learn important lessons from the charter school experience about how to hold schools accountable for results. In response to these reports, U.S. Secretary of Education Rod Paige noted:

> Charter schools offer meaningful options for parents and their children—particularly for those children who would otherwise be left behind in low-performing schools. The good news is that charter schools do not just help the students they serve directly, they also prod the entire system to improve.[19]

According to the U.S. Department of Education, most charter schools are small, with an average enrollment of 137 students—roughly one-fourth the average public school enrollment of 475 students. In 1998, white students made up about 48 percent of charter school enrollment, compared with about 59 percent of the public school enrollment in 1997–1998.[20] In Texas, charter schools actually have higher percentages of African-American (33 percent vs. 14 percent), Hispanic (43 percent vs. 39 percent), and economically disadvantaged (52.6 percent vs. 48.5 percent) students than do the public schools.[21] Such findings counter the claims that charter schools attract disproportionately large numbers of white students away from public schools.

Among charter school developments in 2000 and 2001:

- **Arkansas** approved its first charter school application five years after passing a charter school law. Grace Hill Elementary School converted to charter status to gain more flexibility in staffing and instruction.[22]
- The **New Jersey** and **Utah**[23] Supreme Courts ruled that their respective state's charter school law was constitutional.

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16. Robert Maranto, Scott Milliman, Frederick Hess, *School Choice in the Real World: Lessons from Arizona Charter Schools* (Boulder, Colo.: Westview Press. 2001).
17. Frederick Hess, Robert Maranto, Scott Milliman, "Small Districts in Big Trouble: How Four Arizona School Systems Responded to Charter Competition," Teachers College *Record*, New York, N.Y., forthcoming.
18. Paul Teske, Mark Schneider, Jack Buckley, and Sara Clark, State University of New York–Stony Brook, "Does Charter School Competition Improve Traditional Public Schools?" Center for Education Reform, June 2000.
19. News Release, "Charter Schools Prompting Improvement in School Districts, According to Two U.S. Department of Education Reports," U.S. Department of Education, June 14, 2001. For full reports, see *Challenge and Opportunity: The Impact of Charter Schools on Districts* at *http://www.ed.gov/pubs/chartimpact* and *A Study of Charter School Accountability* at *http://www.ed.gov/pubs/chartacct*.
20. See U.S. Department of Education Web site at *http://www.ed.gov/pubs/charter4thyear*
21. Center for Education Reform, "Texas Open-Enrollment Charter Schools, Third Year Evaluation: March and July 2000," at *http://www.edreform.com/pubs/charters.htm*
22. Center for Education Reform Newswire, January 17, 2000; see *http://www.edreform.com*.

- In **Oklahoma**, a group called Parents for a New Middle School received the state's first school board–approved charter.[24]
- Opponents of the charter school law in **Oregon** obtained fewer than half of the 66,786 signatures needed to place an initiative on the ballot in November 2000 to repeal the law. To date, no state has repealed a charter school law.[25]
- For the first time, a charter school bill is moving through the **Iowa** legislature.

Private Scholarships

Thanks to such prominent private foundations as Children First CEO America and the Children's Scholarship Fund (CSF), the number of privately funded scholarships for low-income public school students to attend a private school of choice continues to grow. Children First America sponsors private voucher programs in 70 cities nationwide.[26] There is at least one such program in each of the 36 CEO states and the District of Columbia. The 80th private program was initiated in January 2001, when Children First Utah launched a $2 million statewide voucher program for up to 200 low-income children to attend a school of choice in 2001–2002.

The CSF, which awarded its first scholarships in Washington, D.C., in 1997, is a multimillion dollar foundation that matches funds raised by local residents in 36 programs around the country. Nearly 40,000 children attend over 7,000 private schools using its partial four-year scholarships. Over 1.25 million applications for these scholarships were received from low-income parents in over 20,000 communities. CSF leaders have concluded that philanthropy alone cannot meet the demand; even if the foundation could raise more money, "there simply are not enough seats under the current system to provide a real alternative to government-run schools." Consequently, the CSF is working with investors, entrepreneurs, educators, and policy experts to "rethink the way we fund and deliver education, and consider the merits of moving to a more market-driven system characterized by diversity, competition, and excellence."[27]

Among the scholarship programs established in 2000:[28]

- The Alliance for Choice in Education in **Colorado**, offering 500 to 700 low-income children in failing schools in the Denver metropolitan area scholarships of up to $2,000 toward tuition at a private or religious school;
- The Northwest **Indiana** Children's Scholarship Fund, enabling 100 elementary school students in Gary to attend 34 parochial schools;
- The **Maine** Children's Scholarship Fund, established after citizens had raised $100,000 and received a $50,000 matching grant from Children First America.
- The Educate **New Mexico** program, offering 400 privately funded scholarships worth $1,000 each for tuition assistance to children in grades K–6 and $1,500 for grades 7–10. The first round of applications resulted in 189 awards.
- Three choice programs in **Ohio**, using challenge grants from Children First America. Children First Columbus, provide 100 students with at least $750 to attend a nonpublic school.
- **Virginia's** first privately funded voucher program, Children First Virginia, awarded

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23. Associated Press, "Charter Schools Are Ruled Constitutional," *Utah Deseret News*, January 19, 2001.
24. Center for Education Reform Newswire, March 8, 2000; see *http://www.edreform.com*.
25. Center for Education Reform Newswire, July 25, 2000; see *http://www.edreform.com*.
26. CEO America began as the Children's Educational Opportunities (CEO) Foundation in Texas in 1992. CEO America's mission is to serve as the national clearinghouse on privately funded vouchers, provide support services for existing programs and matching grant moneys to help develop these programs, and coordinate the development of new programs. See Children First CEO America, at *http://www.childrenfirstamerica.org*.
27. The CSF is a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton. It offers challenge grants to groups that fund scholarships for poor students in failing schools to attend a school of choice. See *http://www.scholarshipfund.org*.
28. "Children First America Helps Launch 10 New Private Voucher Programs in 2000," *School Reform News*, Vol. 5, No. 2 (February 2001).

162 scholarships for 2000–2001. The vouchers of up to $2,000 per year can be used for tuition expenses at any public, private, or parochial school of choice.

Homeschooling

The home-school movement has grown steadily since the 1980s.[29] During the 2000–2001 school year, almost 2 million children in grades K–12 were homeschooled—about 3 percent of the 53 million school-age children in the United States.

Studies indicate that these children fare well on proficiency tests. According to Dr. Brian Ray, President of the National Home Education Research Institute, homeschooled students score in the 80th percentile on standardized achievement tests, a full 30 percentile points *above* the national average.[30] Lawrence Rudner of the University of Maryland found that almost 25 percent of homeschool students are enrolled in classes one or more grades above their age-level peers in public and private schools.[31]

Progress in the Courts

Supporters of school choice found much to applaud in how the courts handled lawsuits against choice initiativesin 2000 and 2001. For example:

- A **Florida** appellate court ruled in October 2000 that the state's voucher program is constitutional.[32] Opponents challenged this program before the state Supreme Court, which refused to consider the case.
- An **Illinois** tax credit for up to 25 percent of education-related expenses (exceeding $250 per child or $500 per family) was challenged in two separate cases. On April 21, 2000, an Illinois Circuit Court judge dismissed a lawsuit filed by the Illinois Education Association and other organizations challenging the credit's constitutionality. On April 4, 2001, the Appellate Court for the Fifth Judicial District unanimously upheld the constitutionality of the tax credit law.[33]
- **New Jersey** charter schools were ruled constitutional by the state's high court on June 28, 2000. The court acknowledged that the Commissioner of Education had been (and should be) mindful of the potential racial and financial impact of charter schools on school districts.[34]
- On March 13, 2001, the U.S. Court of Appeals in **Ohio** decided to allow the Cleveland choice program to continue operating while supporters seek a U.S. Supreme Court review of a December 2000 ruling that it is unconstitutional. In June 2001, the Bush Administration filed an *amicus* brief urging the U.S. Supreme Court to review the program. Cleveland's five-year-old scholarship and tutoring program provides some 4,000 low-income students with publicly financed grants of up to $2,250 to help pay tuition at a private school.[35]
- The **Utah** Supreme Court ruled in January 2001 that the state's 1998 charter school law is constitutional. The Utah School Boards Association had challenged the constitutionality of the law authorizing as many as eight charter schools in a three-year experiment with rigorous controls. The court called this challenge "unreasonable." It was the 12th choice law to be upheld by a state high court in suits filed by public school boards.[36]

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[29] A compendium of home school laws in each state, compiled by the Home School Legal Defense Association, can be found at *http://www.hslda.org/laws*.

[30] Dr. Brian Ray, *Home Schooling on the Threshold: A Survey of Research at the Dawn of the New Millennium*, National Home Education Research Institute, 1999.

[31] Lawrence Rudner, *Scholastic Achievement and Demographic Characteristics of Home School Students in 1998*, ERIC Clearinghouse on Assessment and Evaluation, College of Library and Information Services, University of Maryland, 1999. For full report, see *http://www.hslda.org/docs/study/rudner1999/FullText.asp*.

[32] George A. Clowes, "Court Upholds Florida Voucher Program," *School Reform News*, November 2000.

[33] E-mail correspondence from Maureen Blum, the Institute for Justice, April 4, 2001.

[34] See Center for Education Reform, at *http://www.edreform.com*.

[35] Kenneth Cooper, "Appeals Court Rejects Vouchers in Cleveland as Unconstitutional," *The Washington Post*, December 12, 2000.

[36] Associated Press, "Charter Schools Are Ruled Constitutional," *Utah Deseret News*, January 19, 2001.

What the Research Shows

Several studies of school choice programs released during the past year demonstrate the significant benefits of choice. For example, they find that choice:

- Improves academic performance. A March 2001 report commissioned by New York University found that the city's Catholic school students were achieving higher scores than the public school students on the state's 4th and 8th grade standardized tests. Moreover, the Catholic school students passed their exams at a higher rate. "The study demonstrates that Catholic Schools are more effective in severing the connection between race or income and academic performance," said Professor Joseph Viteritti, co-chair of the University's Program on Education and Civil Society.[37]

  Harvard University's Paul Peterson and his colleagues in 2000 released the findings of their study of privately funded voucher programs in New York, Dayton (Ohio), and the District of Columbia. They found that between 1998 and 1999, African–American children who used vouchers to attend private schools were making significant academic improvements. In their second year, they had improved their math and reading test scores by 6.3 percentile points relative to their public school peers. This was a striking advance considering the public school system was unable to close the achievement gap between white and black students.[38]

  A Hoover Institution evaluation of the Milwaukee Parental Choice Program found that test scores for students enrolled in the voucher program had increased significantly from 1997 to 2000, outstripping students in the rest of the state. The data also showed that the students left behind were faring quite well. Competition to retain students (and funding) provided an incentive for administrators and teachers in the Milwaukee public school system to improve overall performance.[39]

  A Western Michigan University study of students in Pennsylvania's charter public schools found they had made gains on state assessments of more than 100 points after just two years, and outscored students in the other schools in their districts by 86 points. The 2000 study found that the charter schools were smaller and served more at-risk and minority students than did the traditional public schools. These findings counter claims that charter schools "cream" the best students from public schools without increasing academic achievement.[40]

  Jay P. Greene, a senior fellow at the Manhattan Institute for Policy Research, conducted a nationwide study on the correlation between academic excellence and the availability of choice.[41] From his findings, he created an "Education Freedom Index" to rank the states, based on the premise that a high availability of choice yields high academic performance. The first rankings were released in October 2000. The top 10 states were Arizona, Minnesota, Wisconsin, New Jersey, Oregon, Texas, Delaware, Colorado, Maine, and Connecticut. The worst 10 were Georgia, Alaska, South Carolina, Virginia, Rhode Island, Maryland, Kentucky, Nevada, West Virginia, and Hawaii.

  Students attending Advantage Schools recently showed a 9.1 point average gain on two national standardized tests: the Woodcock Reading Mastery Tests Revised and the ninth edition of the Stanford Achievement Test.[42] Advantage Schools is a private Boston-based firm that manages 15 inner-city

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37. Press Release, "Catholic Schools Outperform Public Schools on State English and Math Exams, New Study Says," New York University, March 22, 2001. For entire report, see *http://www.nyu.edu/wagner/education/pecs/CathSchools-Report.rtf*.

38. Paul Peterson *et al.*, *Test Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington D.C.: Evidence from Randomized Field Trials*, Harvard University and the Brookings Institution, August 2000.

39. Hanna Skandera and Richard Sousa, "School Choice: The Evidence Comes In," *Hoover Digest*, No. 2 (2001), see *http://www-hoover.stanford.edu/publications/digest/012/skandera.html*.

40. Tamara Henry, "Scores Up for Charter Schools," *USA Today*, March 28, 2001. For entire study, see Gary Miron and Christopher Nelson, *Autonomy in Exchange for Accountability: An Initial Study of Pennsylvania Charter Schools*, Western Michigan University, October 2000.

41. Jay P. Greene, *The Education Freedom Index*, The Manhattan Institute *Civic Report* No. 14, September 2000.

charter schools in seven states and the District of Columbia.

- **Helps low-income families.** In August 2000, Dr. Greene released the results of a study on the Charlotte, North Carolina, scholarship program. Among the findings: School choice programs improve scores, please parents, provide a safer learning environment, reduce racial conflict, require less money to operate, offer smaller class sizes, and help low-income parents assure their child is receiving a good education.[43] Professor John Witte of the University of Wisconsin–Milwaukee, the official evaluator of Milwaukee's school choice program, recently confirmed this analysis in *The Market Approach to Education: An Analysis of America's First Voucher Program*.[44]

  A report released in early 2000 by Wisconsin's Legislative Audit Bureau found that despite fears of "creaming" and segregation, the Milwaukee school choice program served a student population that was demographically identical to the city's public school student population. It also concluded that most of the schools participating in the program were providing high-quality academic programs and tests.[45]

- **Improves public schools.** According to "School Choice and School Productivity," a February 2001 study by Harvard University economist Caroline Hoxby, Milwaukee's public elementary schools have improved as a result of the private school choice program.[46] She found that performance improved faster at schools whose students could use vouchers to leave. Jay P. Greene of the Manhattan Institute found similar results with Florida's A+ Accountability and School Choice Program.[47]

  A 1998–2000 study of Florida's school choice initiative also concluded that competition from choice sparks widespread public school reform. The study, "Competing to Win: How Florida's A+ Plan Has Triggered Public School Reform," describes the steps public schools took to improve instruction and teacher training after the nation's first statewide choice program was instituted. Schools that had received a grade of "F" for the 1998–1999 school year showed a greater increase in test scores for 1999–2000 (over twice as large) than schools that had not received a failing grade. The study concluded that meaningful public school reform is unlikely without the market forces that accompany school choice.[48]

- **Promotes effective school spending.** A 2000 report on the benefits of school choice conducted by Hoxby notes that school choice reduces spending while improving educational performance. In "Does Competition Among Public Schools Benefit Students and Taxpayers?" Hoxby reports that improvements in public school performance also decrease the demand for private schools; policies that reduce choice are likely to increase the share of students in private schools and reduce the share of voters interested in improving public education.[49]

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[42] Henry, "Scores Up for Charter Schools." For entire report, see Advantage Schools Annual Report on School Performance, March 2001, located at *http://www.advantage-schools.com/news/AnnualReport99-00.pdf*.

[43] Jay P. Greene, "The Effect of School Choice: An Evaluation of the Charlotte Children's Scholarship Fund," The Manhattan Institute *Civic Report* No. 12, August 2000.

[44] Williams, "Ex-Milwaukee Evaluator Endorses School Choice."

[45] See Wisconsin Legislative Audit Bureau, at *http://www.legis/state.wi.us/lab/windex.htm*.

[46] Caroline Hoxby, "School Choice and School Productivity," Harvard University, February 2001. For entire report, see *http://post.economics.harvard.edu/faculty/hoxby/papers/school_choice.pdf*.

[47] Jay P. Greene, Ph.D., "An Evaluation of the Florida A-Plus Accountability and School Choice Program," Center for Civic Innovation at the Manhattan Institute, February 2001. See also *http://www.edreform.com/press/2001/apluseval.htm*.

[48] Center for Education Reform, "Groundbreaking Report Shows Competition From School Choice Sparks Widespread Public School Reform," October 2000.

[49] Caroline Hoxby, "Does Competition Among Public Schools Benefit Students and Taxpayers?" *American Economic Review*, December 2000; see also "The Difference That Choice Makes," Economics Focus, *Economist*, January 27, 2001.

- **Promotes parental involvement**. Children First America released a myth-busting report in 2000 based on survey data of parents whose children used vouchers to attend private schools. It found that school choice does not drain money or talented students away from public schools, but does improve parental involvement and academic performance.[50] The questionnaires were given to a random sampling of families that received vouchers from the Horizon Scholarship program; the study also relied on student test scores during the 1999–2000 school year and demographic data such as family income.
- **Reduces delinquency**. A November 2000 study, "Sex, Drugs, and Catholic Schools: Private Schooling and Non-Market Adolescent Behaviors," examined the relationship between religious schools and student behavior. Students at these schools had less sexual activity, arrests, and cocaine use. Contrary to popular belief, these schools do not achieve these results by enrolling better-behaved students. The data from this study suggest that poorly behaved children are more likely to be sent to private religious schools.[51]

Winning in the Court of Public Opinion

Remarkably, a survey conducted for the National Education Association (NEA) found that a clear majority of Americans support President Bush's proposal to allow parents of children in chronically failing schools to use public dollars to send their children to a public, private, or charter school of choice.[52] According to the U.S. House Committee on Education and the Workforce, the study, released in March 2001, also shows overwhelming public support for annual student testing to ensure accountability for results, "the centerpiece of President Bush's 'No Child Left Behind' plan." According to Committee Chairman John Boehner (R–OH),

> Americans support giving parents the power to do what they think is best for their children's education. The President's plan gives this power as a last resort to the parents of children trapped in chronically failing schools after those schools have been given every opportunity to change. A solid majority of Americans support this policy.[53]

Moreover, a 2000 nationwide poll conducted by the Center on Policy Attitudes found that about half of the respondents favored using vouchers for tuition at private or religious schools.[54]

Parents Support Vouchers. Polls show strong support for vouchers among parents. In April 2001, a group known as Parents in Charge released the results of a survey that found 82 percent of parents wanted to be in charge of their children's education and 72 percent believed competition from choice would improve education.[55] The NEA survey mentioned above found similar results: 63 percent of those polled favored legislation that would provide parents with tuition vouchers of $1,500 a year that they could use to send their children to any public, private, or charter school.[56]

Finally, parental response has been overwhelming to the scholarships offered by the Children's Scholarship Fund. Over 1.25 million low-income parents applied for the available scholarships, confirming the popularity of choice among families that need it the most. These findings also highlight the increasing frustration of parents with the current system, which still leaves too many children behind.[57]

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[50] Robert Aguirre, "The Power to Choose: Horizon Scholarship Program Second Annual Report," Children First America, Fall 2000.

[51] David Figlio and Jens Ludwig, "Sex, Drugs, and Catholic Schools: Private Schooling and Non-Market Adolescent Behaviors," NBER Working Paper No. 7990, November 2000, at *http://www.nber.org/papers/w7990*.

[52] Press Release, "New Poll for NEA Shows Majority of Americans Back President Bush's Approach to School Choice," Committee on Education and the Workforce, U.S. House of Representatives, 107th Cong., 1st Sess., March 8, 2001.

[53] *Ibid*.

[54] Center on Policy Attitudes, "Public Wants Federal Government to Play Active, But Not Punitive Role in Strengthening Public Schools," October, 2000, see *http://www.policyattitudes.org*.

[55] Center for Education Reform, Newswire, April 3, 2001; see *http://www.edreform.com*. Parents in Charge was established by Ted Forstmann, a founder of the Children's Scholarship Fund; see *http://www.parentsincharge.org*.

[56] Greenberg Quinlan Research, Inc., and the Tarrance Group, National Education Association Survey, March 2001. See also House Committee on Education and the Workforce press release, "New Poll for NEA Shows Majority of Americans Back President Bush's Approach to School Choice."

African–Americans Support Choice. Potentially powerful and growing support for school choice is found among African-American parents. A national poll conducted in November 2000 by the Joint Center for Political and Economic Studies found that blacks are more likely than whites to think that public schools are getting worse. Of the 57 percent of blacks overall who support vouchers, 75 percent are under the age of 35 and 74 percent have children at home.[58] A new study by the Center finds that while 69 percent of black elected officials oppose vouchers, 60 percent of the black public supports them. Among those under age 50, support for vouchers rises to 70 percent, suggesting a possible generational shift in voting patterns.[59]

Some of the nation's most prominent African–American leaders now support choice.[60] These include former Atlanta Mayor Andrew Young; Martin Luther King III, the President of the Southern Christian Leadership Conference; and former Colorado NAACP President Willie Breazell, who was asked to leave his post after publicly voicing his support for school choice.

In September 2000, the Black Alliance for Educational Options (BAEO) began a public relations campaign to publicize the importance of choice for children in inner-city communities. Its compelling advertisement that pronounces "school choice is widespread unless you're poor"[61] is resonating with the families who are most likely to be shortchanged by the status quo. President and founder Howard Fuller believes that giving minority parents vouchers to take their children out of failing schools is the best way to close the achievement gap. The group has spent over $1 million to place ads in the Washington, D.C., market and is expanding the campaign to other cities.[62]

Growing Support Among Educators. Support is growing among educators as well. According to a 1999 poll by Phi Delta Kappa, a professional educators' association, support for vouchers among educators rose from 45 percent in 1994 to 51 percent in 1999.[63] The survey also confirmed the growing support for vouchers among parents of public school students, which increased from 51 percent in 1994 to 60 percent in 1999.

A proposal to convert 16 Philadelphia public schools into a network of charter schools has won support from Drexel University's Foundations, Inc., the Teachers College at Columbia University, and the Annie E. Casey Foundation. Teachers College President Arthur Levine, a recent convert to school choice, called the effort "revolutionary."[64]

New Allies. Choice is also gaining ground among leaders of other minority groups and traditionally Democrat constituencies. For example, key Democrats who represent areas with large numbers of underachieving schools and who now support school choice include: AFL-CIO member Kenneth L. Johnson, vice president of the Milwaukee School Board; State Representative Dwight Evans, chairman of the Pennsylvania House Appropriations Committee; Milwaukee Mayor John Norquist; and the Reverend Floyd Flake, former U.S. Representative from New York.[65]

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[57] An example of the increasing frustration came during a Democratic presidential primary debate last year. Tamala Edwards, a young African-American journalist, asked why Vice President Al Gore opposed vouchers when he was sending his own children to private schools. "Is there not a public school in DC good enough for your child?" she asked, to applause. "And, if not, why should the parents here have to keep their kids in public schools because they don't have the financial resources that you do?" E. J. Dionne, "Vouchers Raise Questions For Both Aides," *The Detroit News*, March 3, 2000.

[58] "Blacks v. Teachers," *Economist*, March 10, 2001. See also "The Black Vote in 2000," at *http://www.jointcenter.org/whatsnew/ index.html*

[59] Center for Education Reform Newswire, July 10, 2001; see *http://www.edreform.com*. For full report, see *http://www.jointcenter.org*.

[60] Nina Shokraii Rees, *School Choice 2000: What's Happening in the States* (Washington, D.C.: The Heritage Foundation, 2000). See also *http://www.baeoonline.org*.

[61] See *http://www.baeoonline.org/*.

[62] Scott Greenberger, "Many Blacks Seek Choice of Schools," *The Boston Globe*, February 26, 2001.

[63] See Phi Delta Kappa Web site at *http://www.pdkintl.org/kappan/kpol999.htm*.

[64] Center for Education Reform Newswire, June 12, 2001; see *http://www.edreform.com*.

Private-sector Choice

In addition to private schools and private voucher programs, for-profit alternatives to traditional public school education are blossoming. Approximately 100,000 children currently attend elementary and secondary schools that are run by for-profit companies nationwide.

Edison Schools, based in New York, is the country's largest for-profit manager of charter schools or public schools under contract with the local school district. More than 57,000 students attend 113 Edison Schools in 21 states and the District of Columbia. Many of the troubled schools in poor neighborhoods managed by Edison are achieving better results now than the government-run schools in their districts. In California, for example, students at the Edison schools showed gains on standardized tests that were twice the state's average on the California Academic Performance Index—a 74-point gain compared with 33 points for the public schools. Each California Edison school ranked close to the top of its district on this measure.[66]

"Overall, the academic climate of the Edison schools is positive and the classroom culture promotes learning," reports a recent study funded by the NEA and conducted by the Columbia University Teachers College. Moreover, "[m]ost Edison schools are safe, orderly and energized."[67] Peter Cooksen of the Columbia University Teachers College observes that Edison schools have a cohesive curriculum and offer a positive learning environment.[68]

Other private entities are attempting to fill niches left open by failing public schools. For example, former U.S. Secretary of Education William Bennett opened K12.com, a Virginia-based company specializing in on-line education, in December 2000. He describes K12 as "a back to basics approach … combining traditional learning and powerful technology."[69] The program offers courses on-line for grades K–12, with some use of ink-on-paper workbooks. The curriculum involves frequent testing to ensure that students keep up with the coursework. Potential users include home-schooled children and charter school students in need of supplemental coursework. K12 has affiliates in Alaska and Pennsylvania.

The Outlook for Choice

The outlook for choice remains promising. Amendments to strengthen charter school laws are pending in Connecticut, Florida, Illinois, Minnesota, Missouri, and Nevada; and in Iowa, for the first time, charter school legislation is moving through the legislature.[70] In addition:

- In **Alaska**, a bill to strengthen the charter school law passed the legislature on May 8, 2001. H.B. 101 eliminates the 2005 sunset clause, doubles the cap to 60 schools, doubles a charter term to 10 years, eliminates the requirement for geographic distribution of charters, makes clear that charter schools are not exempt from competency testing, and provides a one-time start-up grant of $500 per student.
- Connecticut's governor, John Rowland (D), whose support for school vouchers has often churned controversy, has proposed using $15 million of the state's surplus to create a five-year pilot scholarship program. Parents in the state's poorest districts could receive grants of up to $1,500 a year to send their children to private or parochial schools.[71] However, Democrats stalled public hearings on the initiative,[72] so no action was taken.

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65. Center for Education Reform Newswire, February 13, 2001; see *http://www.edreform.com*.
66. Edison Schools, "Edison Schools in California More Than Double Statewide Academic Growth and Rank Near the Top of their Districts," Press Release, October 6, 2000.
67. Deborah Simmons, "Edison Leads in Reform, *The Washington Times*, March 23, 2001.
68. Center for Education Reform Newswire, February 28, 2001; see *http://www.edreform.com*.
69. Neil Irwin, "E-Schooling Firm Set to Open," *The Washington Post*, December 28, 2000.
70. Center for Education Reform, at *http://www.edreform.com/press/2001/indy.htm* (May 4, 2001).
71. Lisa Chedekel, "Roland to Make Pitch for Vouchers," *The Hartford Courant*, February, 3, 2001.
72. Rick Green and Lisa Chedekel, "School Voucher Plan Snubbed," *The Hartford Courant*, March 28, 2001.

- **Florida** lawmakers recently approved a corporate income tax credit for private school tuition. Governor Jeb Bush signed a bill on May 31, 2001, that dramatically expands the state's voucher program for disabled students. The measure will allow thousands of children with disabilities who are unable to obtain the services they need at their traditional schools to attend another school of choice.[73]
- On May 2, 2001, **Indiana** Governor Frank O'Bannon (D) signed the nation's 38th charter school law. According to the Center for Education Reform, the law is strong because it permits an unlimited number of charter schools to open in the state; allows state universities to sponsor them statewide and the mayor of Indianapolis to charter them; and gives new charters legal autonomy in hiring, district rules, and union contracts.[74]
- Some children in failing Title 1 public schools in Montgomery and Prince George's County, **Maryland**, will be able to transfer to other county public schools under a proposal approved by the State Department of Education. Under a new but limited initiative, Maryland has begun to notify parents of children in its 141 worst-performing public schools that, beginning in fall 2001, they will able to transfer to a better public school or charter school of choice.[75]
- **New York City** Mayor Rudolph Giuliani (R) continues to promote a $12 million pilot voucher program modeled after the Milwaukee choice program. The vouchers would be offered to low-income students in one or two school districts for a three-year period for tuition assistance at a parochial or private school of choice.[76]
- **Pennsylvania** enacted a $30 million corporate income tax credit for businesses that support educational scholarships.
- The legislatures in 38 states, including **Arizona, Colorado, Nevada, New Hampshire, New Jersey,** and **Vermont,** considered voucher programs for low-performing and low-income students.[77]
- Tuition tax credit bills have been introduced in 31 states, including **California, Colorado, Connecticut, Hawaii, Idaho, Missouri, Oklahoma,** and **South Carolina.**

The school choice movement gained momentum when Texas Governor George W. Bush, a strong proponent of choice and accountability in education, became President of the United States. Not only has he introduced an ambitious plan to ensure that "no child is left behind," which focuses on flexibility, accountability, and parental choice, but he also has appointed well-known and highly respected advocates of school choice to prominent Administration positions. These include U.S. Secretary of Education Rod Paige, the former Houston schools chief; Deputy Secretary of Education Bill Hansen, Executive Director of the Education Finance Council who had served in the Department of Education from 1981 to 1993; and Undersecretary of Education Eugene Hickok, former secretary of education in Pennsylvania. Today, more and more Members of Congress also recognize how strongly America wants Congress to begin reforming the federal education system. All that is needed now is the political will.

Conclusion

The principles of parental choice and educational opportunity for children resonate strongly in the battle of ideas. The growing school choice movement is shaking the entrenched and profoundly self-interested education establishment into examining its own effectiveness. And as the number of legislative proposals before Congress and the state legislatures indicates, support for school choice will only increase until adequate reforms to the current system allow all children to attend good schools.

Real education reform means giving parents, teachers, and children more options and empowering parents to make the decisions involving their children's education. Bureaucrats may know line items in the budget, but parents and teachers know students and their needs. School choice is the best way to maximize the nation's sizeable investment in education and ensure that all children, regardless of their background or where they live, have an opportunity to succeed.

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[73] Associated Press, "Legislature creates school vouchers for disabled kids," *The Florida Times–Union*, May 5, 2001.

[74] Center for Education Reform, at *http://www.edreform.com/press/2001/indy.htm* (May 5, 2001).

[75] See JoAnna Daemmrich, "State Offers School Choice," *The Baltimore Sun*, April 25, 2001, at *http://www.sunspot.net/news/ local/bal-md.board25apr25.story.*

[76] Frankie Edozien, "Mayor's Budget Bid Includes Push for Vouchers," *The New York Post*, January 24, 2001.

[77] *Ibid.*

Snapshots of Choice in the States

Map A: School Choice and Charter School Programs: 2001

Table 1: School Choice and Charter School Programs

Map B: Private Scholarship Programs

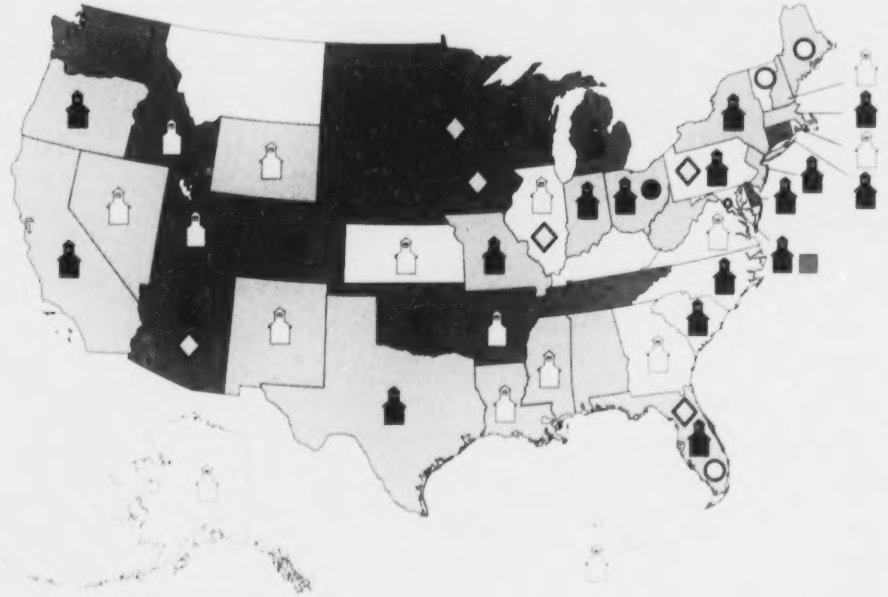
Table 2: Private Scholarship Organizations and Programs

Table 3: Governor Support of School Vouchers and Composition of State Legislatures

Table 4: Private Elementary and Secondary Schools, 1999–2000

Map A

School Choice and Charter School Programs: 2001



▨ Public School Choice Statewide (18)

□ Public School Choice Limited to Some or All Districts (19)

▲ Medium to Strong Charter School Laws (22)

△ Weak Charter School Laws (16)

● Cities with Publicly Sponsored Full School Choice (2)

○ States with Publicly Sponsored Full School Choice (3)

◇ States with Education Tax Deductions or Credits (6)

Note: Information is current as of July 1, 2001. In Maine and Vermont, publicly sponsored full school choice is limited to non-religious private schools.

Sources: The Heritage Foundation, the Center for Education Reform, and the Education Commission of the States, 2001.

Table 1

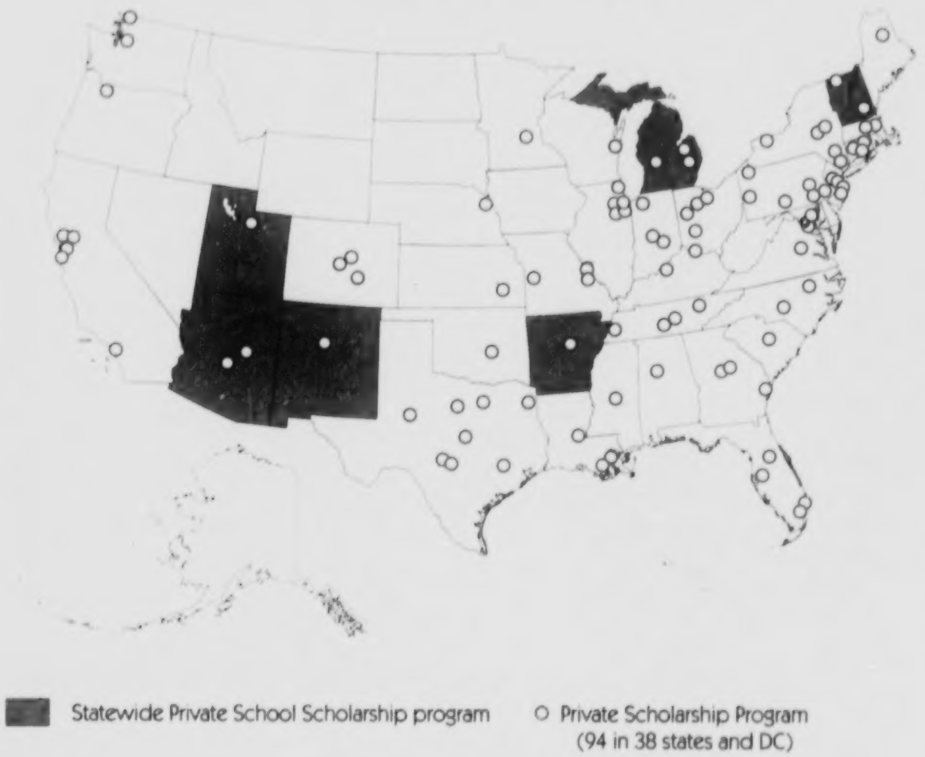
School Choice and Charter School Programs

	Public School Choice	Charter School Laws	Vouchers	Publicly Funded Private School Choice
Alabama	Limited	No	Citywide	No
Alaska	No	Weak	No	No
Arizona	Statewide	Strong	Citywide/Statewide	Tax credits
Arkansas	Statewide	Weak	Citywide	No
California	Limited	Strong	Citywide	No
Colorado	Statewide	Strong	Citywide	No
Connecticut	Statewide	Weak	Citywide	No
Delaware	Statewide	Strong	No	No
District of Columbia	Citywide	Strong	Citywide	No
Florida	Statewide for failing schools	Strong	Citywide	Tax Credits
Georgia	No	Weak	Citywide	No
Hawaii	No	Weak	No	No
Idaho	Statewide	Weak	No	No
Illinois	No	Weak	Citywide	Tax credits
Indiana	Limited	Strong	Citywide	No
Iowa	Statewide	No	No	Tax credits
Kansas	No	Weak	Citywide	No
Kentucky	No	No	Citywide	No
Louisiana	Limited	Weak	Citywide	No
Maine	Limited	No	Citywide	Statewide/does not include religious schools
Maryland	No	No	Citywide	No
Massachusetts	Limited	Strong	Citywide	No
Michigan	Statewide	Strong	Citywide/Statewide	No
Minnesota	Statewide	Strong	Citywide	Tax credits and deductions
Mississippi	No	Weak	Citywide	No
Missouri	Limited	Strong	Citywide	No
Montana	No	No	No	No
Nebraska	Statewide	No	Citywide	No
Nevada	Limited	Weak	No	No
New Hampshire	Limited	Weak	Citywide/Statewide	No
New Jersey	Limited	Strong	Citywide	No
New Mexico	Limited	Weak	Citywide/Statewide	No
New York	Limited	Strong	Citywide	No
North Carolina	No	Strong	Citywide	No
North Dakota	Statewide	No	No	No
Ohio	Limited	Strong	Citywide	Means-tested pilot program for Cleveland
Oklahoma	Statewide	Strong	Citywide	No
Oregon	Limited	Strong	Citywide	No
Pennsylvania	No	Strong	Citywide	Tax Credits
Rhode Island	No	Weak	No	No
South Carolina	No	Strong	Citywide	No
South Dakota	Statewide	No	No	No
Tennessee	Statewide	No	Citywide	No
Texas	Limited	Strong	Citywide	No
Utah	Statewide	Weak	Statewide	No
Vermont	Limited	No	Citywide/Statewide	Statewide/ does not include religious schools
Virginia	No	Weak	Citywide	No
Washington	Statewide	No	Citywide	No
West Virginia	Limited	No	No	No
Wisconsin	Statewide	Strong	Citywide	Means-tested pilot for Milwaukee
Wyoming	Limited	Weak	No	No

Sources: The Heritage Foundation, the Center for Education Reform, and the Education Commission of the States, and ChildrenFirst CEO America

Map B

Private Scholarship Programs



▨ Statewide Private School Scholarship program

○ Private Scholarship Program
(94 in 38 states and DC)

Table 2

Private Scholarship Organizations and Programs

	Scholarship Organization	City
Alabama	Children's Scholarship Fund-Alabama	Birmingham, AL
Arizona	Arizona School Choice Trust	Phoenix, AZ
	Arizona Scholarship Fund	Mesa, AZ
Arkansas	Children's Scholarship Fund-Arkansas	Little Rock, AR
California	The BASIC Fund	San Francisco, CA
	Children's Scholarship Fund, Los Angeles	Los Angeles, CA
	CEO Oakland	Oakland, CA
	The Guardsmen Scholarship Fund	San Francisco, CA
	Independent Scholarship Fund	Oakland, CA
Colorado	Alliance for Choice in Education (ACE)	Denver, CO
	Educational Options for Children	Denver, CO
	Parents Challenge	Colorado Springs, CO
Connecticut	CEO Bridgeport	Bridgeport, CT
	CEO Hartford	Hartford, CT
	CEO New Haven	New Haven, CT
District of Columbia	The Washington Scholarship Fund	Washington, DC
	Capital Partners for Education	Washington, DC
Florida	CEO Foundation of Central Florida	Orlando, FL
	Children's Scholarship Fund, Tampa Bay	Tampa, FL
	Florida Child	Miami, FL
	Miami Inner City Angels	Miami, FL

Table 2 Cont

Private Scholarship Organizations and Programs Cont.

Georgia	Children's Scholarship Fund, Atlanta	Atlanta, GA
	Georgia Community Foundation, Inc.	Atlanta, GA
	Savannah Foundation	Savannah, GA
Illinois	Big Shoulders Fund	Chicago, IL
	Children's Scholarship Fund, Chicago	Chicago, IL
	Children's Scholarship Fund National (Midwest/Northeast)	Chicago, IL
	Daniel Murphy Scholarship Foundation	Chicago, IL
	The FOCUS Fund	Wilmette, IL
Indiana	Educational CHOICE Charitable Trust	Indianapolis, IN
	Greater Educational Opportunity Foundation	Indianapolis, IN
	Northwest Indiana Children's Scholarship Fund	Gary, IN
Kansas	Children First CEO Kansas	Wichita, KS
Kentucky	School CHOICE Scholarships, Inc.	Louisville, KY
Louisiana	Children's Scholarship Fund, Baton Rouge	Baton Rouge, LA
	Children's Scholarship Fund, New Orleans	New Orleans, LA
	Children's Scholarship Fund National (Southeast)	New Orleans, LA
Maine	Children's Scholarship Fund, Maine	Bangor, ME
Maryland	Children's Scholarship Fund, Baltimore	Baltimore, MD
Massachusetts	Children's Scholarship Fund, Boston	Boston, MA
	Coalition for Parental Choice in Education	Boston, MA
Michigan	Educational Freedom Fund	Grand Rapids/ Detroit, MI
	Educational Choice Project	Battle Creek, MI
Minnesota	KidsFirst Scholarship Fund of Minnesota	Minneapolis, MN
Mississippi	Children's Scholarship Fund, Jackson	Jackson, MS
Missouri	Children's Scholarship Fund, Kansas City	Independence, MO
	Gateway Educational Trust	St. Louis, MO
	St. Louis School Choice Scholarship Fund	St. Louis, MO
Nebraska	Children's Scholarship Fund, Omaha	Omaha, NE
New Hampshire	Children's Scholarship Fund, NH	Pelham, NH
New Jersey	Jersey City Scholarship Fund	Jersey City, NJ
	Lincoln Park Educational Foundation, Inc.	Lincoln Park, NJ
	Coalition for Children-Manmouth	Spring Lake, NJ
	Scholarship Fund for Inner City Children	Newark, NJ
New Mexico	Educate New Mexico	Santa Fe, NM
New York	BISON Scholarship Fund	Buffalo, NY
	A Brighter Choice Scholarship (ABC)	Albany, NY
	Children's Scholarship Fund, New York	New York, NY
	Hope Through Education	Philmont, NY
	School Choice Scholarships Foundation	New York, NY
North Carolina	Carolina Educational Opportunity Fund	Raleigh, NC
	Children's Scholarship Fund, Charlotte	Charlotte, NC
Ohio	Children's Scholarship Fund, Cincinnati	Cincinnati, OH
	Children's Scholarship Fund, Toledo	Toledo, OH
	Children First Columbus	Columbus, OH
	Parents Advancing Choice in Education	Dayton, OH
	Parents of Lima-Advancing Choice in Education	Lima, OH
Oklahoma	Oklahoma Scholarship Fund	Oklahoma City, OK
Oregon	Children's Scholarship Fund-Portland	Portland, OR
Pennsylvania	CEO America, Lehigh Valley	Lehigh Valley, PA
	Children's Scholarship Fund, Philadelphia	Philadelphia, PA
	Misciagna Challenge Scholarship Program	Johnstown, PA
	Pittsburgh Urban Scholarship Help (PUSH)	Pittsburgh, PA
	Children First Erie	Erie, PA
	Partnership for Education Tuition Assistance	Philadelphia, PA

Table 2 Cont.

Private Scholarship Organizations and Programs Cont.

South Carolina	Partners Advancing Choice in Education (PACE)	Columbia, SC
Tennessee	Children's Scholarship Fund	Chattanooga, TN
	Children's Education Opportunity Foundation	Chattanooga, TN
	CEO Knoxville	Knoxville, TN
	Memphis Opportunity Scholarship Trust (MOST)	Memphis, TN
Texas	CEO Austin	Austin, TX
	CEO San Antonio	San Antonio, TX
	CEO San Antonio/Horizon Program	San Antonio, TX
	CEO Midland	Midland, TX
	Children's Education Fund	Dallas, TX
	Houston CEO Foundation	Houston, TX
	STAR Sponsorship Program, Inc.	Fort Worth, TX
	Partner Fund Children's Education Fund c/o Fourth	Tyler, TX
Utah	Children First Utah	Draper, UT
Vermont	Vermont S.O.S. Fund	Williston, VT
Virginia	Children First Virginia	Richmond, VA
Washington	Children's Scholarship Fund, Seattle-Tacoma	Seattle, WA
	Children First Whatcom County	Bellingham, WA
Wisconsin	Partners Advancing Values in Education (PAVE)	Milwaukee, WI

Table 3

Governor Support of School Vouchers and Composition of State Legislatures

			Legislative Majority Party*	
	Governor	**Pro Voucher?**	**House**	**Senate**
Alabama	Don Siegelman (D)	No	Democrat	Democrat
Alaska	Tony Knowles (D)	No	Republican	Republican
Arizona	Jane Dee Hull (R)	No position	Republican	Even
Arkansas	Mike Huckabee (R)	"Skeptical"	Democrat	Democrat
California	Gray Davis (D)	No	Democrat	Democrat
Colorado	Bill Owens (R)	Yes	Republican	Democrat
Connecticut	John Rowland (R)	Yes	Democrat	Democrat
Delaware	Ruth Ann Minner (D)	No	Republican	Democrat
District of Columbia	Mayor Anthony Williams (D)	No	City Council is Democratic	
Florida	Jeb Bush (R)	Yes	Republican	Republican
Georgia	Roy Barnes (D)	Possible yes	Democrat	Democrat
Hawaii	Ben Cayetano (D)	No	Democrat	Democrat
Idaho	Dirk Kempthorne (R)	Possible yes	Republican	Republican
Illinois	George Ryan (R)	No	Democrat	Republican
Indiana	Frank O'Bannon (D)	No	Democrat	Republican
Iowa	Tom Vilsack (D)	No	Republican	Republican
Kansas	Bill Graves (R)	No position	Republican	Republican
Kentucky	Paul Patton (D)	No position	Democrat	Republican
Louisiana	Mike Foster (R)	Yes, qualified	Democrat	Democrat
Maine	Angus King, Jr. (I)	Yes, qualified	Democrat	Even
Maryland	Parris Glendening (D)	No	Democrat	Democrat
Massachusetts	Jane Swift (R)	Unknown	Democrat	Democrat
Michigan	John Engler (R)	Yes	Republican	Republican
Minnesota	Jesse Ventura (I)	No	Republican	Democrat
Mississippi	Ronnie Musgrove (D)	No	Democrat	Democrat
Missouri	Bob Holden (D)	No	Democrat	Republican
Montana	Judy Martz (R)	No	Republican	Republican
Nebraska	Mike Johanns (R)	Yes	Unicameral, nonpartisan legislature	
Nevada	Kenny Guinn (R)	Yes, qualified	Democrat	Republican
New Hampshire	Jeanne Shaheen (D)	No	Republican	Republican
New Jersey	Donald DiFrancesco (R)	Unknown	Republican	Republican
New Mexico	Gary Johnson (R)	Yes	Democrat	Democrat
New York	George Pataki (R)	Possible yes	Democrat	Republican
North Carolina	Michael Easley (D)	No	Democrat	Democrat
North Dakota	John Hoeven (R)	No interest	Republican	Republican
Ohio	Robert Taft (R)	Yes	Republican	Republican
Oklahoma	Frank Keating (R)	Yes	Democrat	Democrat
Oregon	John Kitzhaber (D)	No	Republican	Republican
Pennsylvania	Tom Ridge (R)	Yes	Republican	Republican
Rhode Island	Lincoln Almond (R)	Yes	Democrat	Democrat
South Carolina	Jim Hodges (D)	No	Republican	Republican
South Dakota	William Janklow (R)	No	Republican	Republican
Tennessee	Don Sundquist (R)	No	Democrat	Democrat
Texas	Rick Perry (R)	Yes	Democrat	Republican
Utah	Michael Leavitt (R)	No	Republican	Republican
Vermont	Howard Dean (D)	No	Republican	Democrat
Virginia	James Gilmore (R)	No position	Republican	Republican
Washington	Gary Locke (D)	No	Even	Democrat
West Virginia	Bob Wise (D)	No	Democrat	Democrat
Wisconsin	Scott McCallum (R)	Yes	Republican	Democrat
Wyoming	Jim Geringer (R)	No interest	Republican	Republican

Note:* Current as of July 2001

Sources: The Heritage Foundation and the American Education Reform Foundation.

Table 4

Private Elementary and Secondary Schools, 1999–2000

	Number of Schools	Enrollment	Number of Teachers	High School Graduates 1998–1999
United States	27,223	5,162,684	395,317	273,025
Alabama	374	73,352	5,934	4,324
Alaska	69	6,172	572	245
Arizona	276	44,060	3,319	2,399
Arkansas	192	26,424	2,075	1,320
California	3,318	619,067	43,159	28,097
Colorado	339	52,142	4,353	2,470
Connecticut	348	70,058	6,879	5,141
Delaware	96	22,779	1,784	1,151
District of Columbia	89	16,690	1,898	1,231
Florida	1,545	290,872	22,929	12,866
Georgia	592	116,407	10,677	6,819
Hawaii	130	32,193	2,475	2,533
Idaho	94	10,209	790	459
Illinois	1,354	299,871	19,589	16,652
Indiana	677	105,533	7,362	4,597
Iowa	265	49,565	3,545	2,693
Kansas	237	43,113	3,166	2,071
Kentucky	368	75,084	5,478	3,997
Louisiana	434	138,135	9,206	8,716
Maine	139	18,287	1,760	2,050
Maryland	701	144,131	12,152	7,596
Massachusetts	694	132,154	12,497	9,632
Michigan	1,012	179,579	11,771	9,114
Minnesota	530	92,795	6,467	4,010
Mississippi	207	51,369	3,884	3,649
Missouri	576	122,387	9,105	6,851
Montana	90	8,711	740	395
Nebraska	237	42,141	2,963	2,303
Nevada	80	13,926	973	639
New Hampshire	171	23,383	2,208	1,894
New Jersey	905	198,631	15,496	11,072
New Mexico	182	23,055	1,992	1,361
New York	1,981	475,942	37,190	26,314
North Carolina	588	96,262	8,962	4,256
North Dakota	55	7,148	545	448
Ohio	974	254,494	16,165	13,394
Oklahoma	179	31,276	2,727	1,635
Oregon	347	45,352	3,473	2,376
Pennsylvania	1,964	339,484	24,453	18,002
Rhode Island	127	24,738	1,961	1,404
South Carolina	326	55,612	4,912	2,915
South Dakota	83	9,364	743	442
Tennessee	533	93,680	7,921	6,717
Texas	1,281	227,645	19,777	9,988
Utah	78	12,614	1,091	792
Vermont	122	12,170	1,361	1,273
Virginia	582	100,171	9,389	5,010
Washington	494	76,885	5,697	3,262
West Virginia	151	15,895	1,486	883
Wisconsin	991	139,455	10,025	5,525
Wyoming	41	2,221	241	41

Source: U.S. Department of Education, National Center for Education Statistics, *Private School Survey, 1999–2000*, at *http://nces.ed.gov/pubs2001/2001330.pdf*, Table #22 on Report p. 26.

STATE BY STATE ANALYSIS

About the State Profiles

A snapshot of school choice opportunities in each state as well as an overview of public education are provided in the *State Profiles*. Private school information can be found in Table IV. (For those interested in a state's home schooling laws, see the Home School Legal Defense Association Web site at *http://www.hslda.org/laws.*)

School Choice Status

- Public school choice: The type of public school choice and open enrollment policies.

  Statewide: Students can choose to enroll in any public school within the state.

  Limited: Students can choose only from schools in their own districts; some districts may choose not to participate in the program.

  "Interdistrict" open enrollment programs allow choice of public schools across and within district boundaries.

  "Intradistrict" open enrollment programs allow choice of public schools within district boundaries.

  "Mandatory" open enrollment programs require districts to participate in the program, as long as space is available in the receiving schools.

  "Voluntary" open enrollment programs allow districts to choose whether to participate in the program if space is available.

  Source: "School Choice: State Actions," Education Commission of the States, at *www.ecs.org/clearinghouse/13/75/1375.htm* (February 2001), and The Heritage Foundation.

- Charter school law: Year enacted.

  Strength of law: Strong or weak, as determined by the Center for Education Reform (CER), a free-market public policy organization that monitors school choice developments in the states. The 10 criteria used by the CER: number of schools allowed, number of chartering authorities, types of eligible charter applicants, new starts allowed, if school may be started without evidence of local support, automatic waivers from state and district public school laws and regulations, amount of legal and operational authority, guaranteed full per-pupil funding, fiscal autonomy, and exemption from collective bargaining agreement/district work rules.

  Numbers: If charter schools are available, this section also notes the number of schools in operation and the number of students enrolled in charter schools as of fall 2000.

  Source: Center for Education Reform, "Charter School Legislation and Laws," February 2001, at *www.edreform.com/charter_schools/laws/chlaws.htm*, and information from state contacts.

- Publicly funded private school choice: Whether there are publicly funded programs available that offer additional educational choices, including private or religious schools, through the use of vouchers or scholarships, tax credits, and/or individual and corporate tax deductions.

  Source: Heritage analysis based on state contact information, news reports, and legislative developments.

- Privately funded school choice: Whether there are privately funded voucher or tuition scholarship programs that offer parents additional educational choices for their children, including private and religious schools.

  Source: Heritage analysis based on state contact information, news reports, and legislative developments.

- Ranking on the Education Freedom Index: The state's ranking among the 50 states in the amount of education freedom it offers to families, according to researchers at the Manhattan Institute. The District of Columbia was not included in the study, nor were the Mariana Islands and Puerto Rico. In ranking the states, researchers assessed (1) the availability of government-assisted private school options, such as vouchers; (2) home-schooling options and freedoms; (3) other choices within the public school system; (4) availability of charter school options; and (5) the ease with which one can choose a different public school district.

Source: Jay P. Greene, *The Education Freedom Index*, The Center for Civic Innovation at the Manhattan Institute, September 2000, available at *www.manhattan-institute.org/html/cr_14.htm.*

K–12 Public School and Students (2000–2001)

- Public school enrollment in fall 2000
- Number of schools in 1998–1999 (latest data available; from *Education Week*, "Quality Counts 2001," January 11, 2001)
- Current expenditures for 2000–2001
- Current per-pupil expenditure
- Amount of revenue from the federal government for 2000–2001

  Source: National Education Association, "Rankings and Estimates: Rankings of States 2000 and Estimates of School Statistics 2001," released May 2001.

- Evaluation of school performance: A state's method of reporting its schools' performance in educating public school students; includes school report cards, ratings, rewards and/or sanctions. Links to the states' own report cards can be found at *www.heritage.org/reportcards.*

  Sources: *Education Week*, "Quality Counts 2001," January 11, 2001, and The Heritage Foundation.

K–12 Public School Teachers (2000–2001)

- Number of teachers
- Average salary
- Students enrolled per teacher

  Source: National Education Association, "Rankings and Estimates: Rankings of States 2000 and Estimates of School Statistics 2001," released May 2001.

- Leading teachers union

  Source: Latest available information; from the U.S. Department of Education in October 1999 and Mike Antonucci, Education Intelligence Agency.

K–12 Public and Private School Student Academic Performance

- **NAEP test results:** How public and private school students in 4th and 8th grades performed on the National Assessment of Educational Progress (NAEP) in math, reading, and science, with national percentages provided in parentheses. The four categories are Below Basic, Basic, Advanced, or Proficient. NAEP assessments are given every other year in alternating subjects. State results for the 2000 reading assessments have not yet been released. The national results on the 2000 reading test that is included in the chart for comparison purposes were based on a study of 7,914 4th graders (5,945 public school students and 1,969 non-public school students). In 2001, the National Center for Education Statistics will issue NAEP Report Cards in math and science.

  Source: National Assessment of Educational Progress Report Cards at *www.nces.ed.gov/nationsreportcard/.* And Business Roundtable, *Transforming Education Policy—Assessing 10 Years of Progress in the States,* June 1999.

- **SAT and ACT weighted ranks (2000):** The state's ranking based on the average scores of college-bound students on college entrance exams, from an analysis by the American Legislative Exchange Council. States and the District of Columbia are ranked according to the predominant test (either the SAT or ACT) administered to students.

  Source: American Legislative Exchange Council, *Report Card on American Education: A State-by-State Analysis, 1976–2000*, Table 3.2, April 2001, at *www.alec.org.*

ALABAMA

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Limited
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 39th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 733,396
- Number of schools (1998–1999): 1,364
- Current expenditures: $3,863,134,000
- Current per-pupil expenditure: $5,267
- Amount of revenue from the federal government: 10.3%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 47,803
- Average salary: $37,956
- Students enrolled per teacher: 15.3
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Alabama Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	1% (4%)	1% (3%)
Proficient	(24%)	19% (23%)	20% (28%)	10% (18%)	11% (19%)	17% (24%)
Basic	(31%)	32% (31%)	45% (41%)	37% (42%)	33% (38%)	29% (33%)
Below Basic	(37%)	44% (39%)	34% (28%)	52% (38%)	55% (39%)	53% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 20th out of 26 states

Background

Alabama offers students limited public school choice but otherwise has done relatively little to empower parents with more choices and to give students more educational opportunities.

Private scholarship programs are available to enable low-income students to attend a school of choice. In 1998, a group known as Students First began offering half-tuition scholarships of up to $1,000 for 50 to 100 low-income students in the Birmingham five-county region. Eligible K–8 students were selected by lottery. In September 1998, Birmingham also became a Children's Scholarship Fund (CSF) partner city.[1] Funds for the scholarships were raised by Birmingham residents and matched by the CSF in order to offer about 375 scholarships to low-income students to attend a school of choice. Almost 9,200 applications for those initial scholarships were received. Students First continues to administer the program.

Developments in 2001

Some school district administrators are now looking at choice as a way to stem the flight of students to private schools. The Dothan city school system, for example, is planning to reverse declining enrollment by implementing a free choice program in August 2001.[2]

State Senator Bill Armistead (R–14) introduced S.B. 108 to provide Student Opportunity Scholarships to students in failing schools. His proposal would allow parents to withdraw their children from schools that are considered failing to attend another public or private school. Parents would receive $4,000 (the amount the state allocates to educate a child) in state funds to send a child to another public school or $2,000 (one-half the state allocation) to attend a private school.

Position of the Governor / Composition of the State Legislature

Governor Don Siegelman, a Democrat, does not support school choice. Both houses of the legislature are controlled by Democrats.

State Contacts

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[1] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[2] Mike Wendling, "Once-Outlawed School Choice Plans Cropping Up Again," Associated Press, October 7, 2000.

ALASKA

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Enacted 1995
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 17
  Students enrolled in charter schools (fall 2000): 1,271
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 42nd out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 140,254
- Number of schools (1998–1999): 497
- Current expenditures: $1,254,841,000
- Current per-pupil expenditure: $8,947
- Amount of revenue from the federal government: 12.5%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 8,043
- Average salary: $46,986
- Students enrolled per teacher: 17.4
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Alaska Student Performance	**(National) 2000 Reading**	**State (National) 1998 Reading**		**State (National) 1996 Math**		**State (National) 1996 Science**
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	N/A	N/A	2% (2%)	7% (4%)	3% (3%)
Proficient	(24%)	N/A	N/A	21% (18%)	30% (19%)	31% (24%)
Basic	(31%)	N/A	N/A	65% (42%)	68% (38%)	65% (33%)
Below Basic	(37%)	N/A	N/A	35% (38%)	32% (39%)	35% (40%)

- SAT weighted rank (2000): 5th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

A special commission appointed in 1991 to examine the issue of choice released a report in 1992 that favored experimenting with charter schools, magnet schools, and other types of public school choice but stopped short of advocating full choice. Since 1995, Alaska's public schools have been allowed to accept the part-time enrollment of students who are enrolled in private or correspondence schools or who are home schooled. State funding follows the students.

In 1995, Governor Tony Knowles, a Democrat, signed the state's Charter School Act to establish a pilot charter school program. The 10-year program will sunset in 2005. Up to 30 geographically balanced charter schools may be approved by the local school board and state Board of Education. Charter schools are exempt from district requirements on textbooks, programs, curricula, and scheduling, and from state law requiring superintendents of schools to "select, appoint, and otherwise control" employees under their jurisdiction. Charter schools may hire and supervise their principals and operate under a budget that has been set out in the contract. They enjoy other exemptions from local district requirements that may be agreed upon by the school and local board. Charters are limited to five years.

In 1999, the state House Judiciary Committee approved a constitutional amendment (HJR 6) to allow the spending of public funds "for the direct benefit of religious or other private educational institution(s)." However, the bill never reached the House floor.

Developments in 2001

A bill to strengthen the state's charter school system has been introduced. Among its other provisions, H.B. 101 would eliminate the Charter School Act's 2005 sunset clause, double the cap to 60 charter schools, extend the length of charters from five to 10 years, eliminate the requirement for geographic distribution of charters, clarify that charter schools are not exempt from competency testing, and provide a one-time start-up grant of $500 per student. The Health, Education, and Social Services Committee has referred the bill to the Finance Committee.

Position of the Governor / Composition of the State Legislature

Governor Tony Knowles, a Democrat, supports charter schools but not choice initiatives that include private and religious schools. Both houses of the legislature are controlled by Republicans.

State Contacts

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Arizona

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Enacted 1994
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 408
  Number of students enrolled in charter schools (fall 2000): 94,759
- Publicly funded private school choice: Yes (school tuition organization tax credit)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 1st out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 868,144
- Number of schools (1998–1999): 1,511
- Current expenditures: $4,059,121,000
- Current per-pupil expenditure: $4,676
- Amount of revenue from the federal government: 6.9%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 45,775
- Average salary: $36,302
- Students enrolled per teacher: 19.0
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Arizona Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	2% (2%)	1% (2%)	2% (4%)	2% (3%)
Proficient	(24%)	17% (23%)	26% (28%)	14% (18%)	26% (19%)	21% (24%)
Basic	(31%)	31% (31%)	45% (41%)	42% (42%)	39% (38%)	32% (33%)
Below Basic	(37%)	47% (39%)	27% (28%)	43% (38%)	43% (39%)	45% (40%)

- SAT weighted rank (2000): 3rd out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Arizona ranks high on all measures of choice, and recent studies show that students in its charter schools are showing significant improvements in achievement. According to Jay P. Greene, Senior Fellow at the Manhattan Institute for Policy Research, Arizona receives the highest ranking among the states on the new Education Freedom Index because of its "large number of charter schools, its relatively light regulation of home schooling, a private school tax credit, and its unrestricted inter-district school choice program."[3]

A 1998 survey conducted by the Phoenix-based Goldwater Institute found that 73 percent of Arizona voters believe parents should have the right to send their children to any public school that has room for them, regardless of boundaries, and 72 percent favor tax-deductible donations so that communities can raise funds for local education.[4]

The state has a sweeping open enrollment law and permits special education students or students "unable to profit from public schools" to use state funds to attend private school. To help parents choose a school, the state Department of Education posts report cards for all public schools on the Internet.[5]

In January 1999, then-State Superintendent of Public Instruction Lisa Graham Keegan submitted a bill to the legislature that would establish statewide school choice. Her plan would enable parents of students who qualify for free or reduced-price school lunches to send their children to a public, private, or religious school of choice. Payments would equal the cost of educating the child in a public charter school or the cost of tuition at a school of choice, whichever is less. The participating school would be required to administer the statewide norm-referenced achievement test and the Arizona Instrument to Measure Standards (AIMS) criterion-referenced test to ensure that the child is receiving a quality education.

In March 1999, the state House passed a bill to establish the Keegan plan. Grants of $4,800 or the cost of tuition, whichever is less, would allow low-income parents to send their children to local private or parochial schools. Although the Senate Education Committee had approved the bill, it did not move forward in the legislature. In 2000, the State Superintendent sought to abolish school district boundaries to give every student equal access to every public school. However, some parents and educators were concerned about the effects of Keegan's plan on their communities.[6]

Arizona's School Improvement Act of 1994 remains the nation's strongest charter school law, according to the Center for Education Reform.[7] As of spring 2001, there are more charter schools operating in Arizona than in any other state: 416. Any citizen, group, or organization may apply for a 15-year charter from the charter school board or the state school board, which may grant up to 25 charters per year, or from the local school board, which is not subject to a limit on how many it may grant.

Charter schools have broad fiscal and legal autonomy. Schools sponsored by the charter or state school boards are, for the most part, independent and exempt from state regulations in such areas as teacher certification, compliance reviews, and mandated classes. Charter schools must comply with civil rights, insurance, and special education laws. No charter school may deny admission to students based on academic ability or physical handicap. Charters are reviewed every five years. Available funding must be equal to or greater than the minimum per-pupil expenditure within the district. More than one-third of Arizona's charter schools have designed their programs to serve at-risk students.

Establishing charter schools spurs noticeable differences in a public school system, according to a 1999 survey of public school teachers by researchers Scott Milliman of James Madison

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3. See Jay P. Greene, "The Education Freedom Index," Manhattan Institute *Civic Report* No. 14, September 2000, at *www.manhattan-institute.org/html/cr_14.htm#t1t2*.
4. "Education Ranks as No. 1 Concern Among Arizona Voters," *School Reform News*, May 1998, p. 12, and information from Office of the State Superintendent of Education in the Arizona Department of Public Instruction.
5. See Arizona's school report card at *www.heritage.org/reportcards/arizona.html*.
6. Kelly Pearce, "Keegan Renews Push to End District Borders," *The Arizona Republic*, August 25, 2000.
7. See the Center for Education Reform's rankings of charter school laws at *www.edreform.com/charter_schools/laws/ranking_2001.pdf*.

University, Frederick Hess and Robert Maranto of the University of Virginia, and social psychologist April Gresham of Charlottesville, Virginia.[8] The researchers noted the following changes in public schools between the 1994–1995 and 1997–1998 school years: Districts made greater attempts to reform curricula and inform parents about school programs and options and placed greater emphasis on promoting professional development for teachers; and school principals consulted with their teaching staffs more frequently.

To ensure that all students receive quality teaching, most charter school operators hire certified but inexperienced teachers because they have found that experienced district teachers, who may not understand the marketing strategies that enable charters to attract and keep students, could need significant retraining. This caused some charter schools to have a high teacher turnover rate in their early years. Finally, some charters are struggling to standardize their curricula and to align lesson plans with the state's AIMS criterion-referenced test. The average cost of alignment per charter is $25,000.[9] Nevertheless, the Goldwater Institute's latest findings show that students are improving their scores on math and reading tests after just two to three consecutive years in a charter school.[10]

Several private tuition scholarship programs exist in the state, including the Arizona School CHOICE Trust, which was launched in 1992. In 1998, Phoenix became a Children's Scholarship Fund (CSF) partner city to provide approximately 500 scholarships for low-income students to attend a school of choice. The program has proven to be popular. In 1999, 320 scholarship recipients in Phoenix and Tucson were chosen from 12,637 applicants.[11]

On April 7, 1997, then-Governor Fife Symington, a Republican, signed legislation allowing residents to take a tax credit for donations to charitable organizations that give scholarships to children to attend private or religious schools. Currently, an individual can receive a $500 tax credit for donating to a private tuition scholarship program; a married couple can receive a $625 tax credit. Individuals donating to public school extracurricular activities, however, can receive only a $250 tax credit; a married couple can receive a $500 credit.

This was the first law of its kind in the country. The Arizona Education Association sought to have the tax credit overturned by referendum but failed to gather more than one-sixth of the required signatures. It then filed a lawsuit with the Arizona School Boards Association and American Federation of Teachers to challenge the credit's constitutionality.

On January 26, 1999, the state Supreme Court upheld the tax credit plan. In a majority opinion written by Chief Justice Thomas A. Zlaket, the court held that the program does not violate the First Amendment, partly because the "primary beneficiaries of this credit are taxpayers who contribute to the [school tuition organizations], parents who might otherwise be deprived of an opportunity to make meaningful decisions about their children's education, and the students themselves."[12] Citing the U.S. Supreme Court's decision to uphold tuition tax credits in *Mueller* v. *Allen* and the Wisconsin Supreme Court's ruling on the Milwaukee school choice program in *Jackson* v. *Benson*, the majority stated that "Arizona's tax credit achieves a higher degree of parity by making private schools more accessible and providing alternatives to public education." The majority held that tax credits are not public funds; therefore, the plan does not violate the state's constitution.

The Arizona Education Association appealed the case to the U.S. Supreme Court, which in October 1999 refused to consider it. On February

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[8] Frederick Hess, Robert Maranto, and Scott Milliman, "Coping with Competition: How School Systems Respond to School Choice," Program on Education Policy and Governance, Harvard University, May 1999. Robert Maranto is now at Villanova University. See also Robert Maranto, Scott Milliman, Frederick Hess, and April Gresham, *School Choice in the Real World* (Boulder, Colo.: Westview Press, 2001).

[9] Mary Gifford, Karla Phillips, and Melinda Ogle, *Five Year Charter School Study: An Overview*, Goldwater Institute, November 2000.

[10] See Goldwater Institute at *www.goldwaterinstitute.org/pdf/032001cmbe.pdf*.

[11] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[12] Correspondence from Institute for Justice, April 22, 1999. See *Kotterman* v. *Killian*, CV–1997–0412–SA, January 26, 1999.

15, 2000, the American Civil Liberties Union (ACLU) responded by filing another suit to overturn the tax credit.

Developments in 2001

The scholarship tax credit program enacted in 1997 cost $1.5 million in 1999.[13] However, a recent Harvard University study found that, because the state saves money for every student who transfers to a private school using an Arizona scholarship, the expected rise in transfers will produce savings to taxpayers of $10 million each year by 2008.[14] In addition, the tax credit for donations to public schools has generated staggering contributions: $175 million for tax year 2000 alone.[15]

Superintendent of Public Instruction Lisa Graham Keegan, who resigned in early May 2001 to become Chief Executive Officer of the national Education Leaders Council, emphasized that tough standards would accompany new state-appropriated money for schools. Schools that failed to improve their scores for two years in a row would be required to send parents a letter apprising them of this fact and advising them that they have choices to ensure their children receive a quality education.[16]

In October 2001, the state will begin to list underperforming schools on the Internet. Schools that do not improve in one year's time will be classified as "failing," and the state will send in "solution teams" to revamp them. Education officials hope to amend the law so that schools can be judged on the basis of three years of results. High schools would be ranked by their pass/fail rates over two years. To the current grades of "failing," "underperforming," or "improving," the state wants to add a grade of "maintaining" for schools that are neither improving nor getting worse.[17]

The 2001 legislature considered bills to increase regulation of charter schools and repeal the state's tax credits for donations to scholarship organizations or activity fees. A House bill authorizing "opportunity scholarships" for students in low-performing public schools to attend a certified private school or another public school died in committee.[18]

In March 2001, the Goldwater Institute reported that spending two to three consecutive years in an Arizona charter school has a greater positive impact on math and reading test scores than does spending two or three years in a traditional school. This finding is based on the Stanford 9 achievement test scores of 60,000 students in charter and public schools from 1997–1999. There was no evidence that charter schools accept only the best students or encourage the worst performing students to leave.[19]

Early in 2001, the Arizona Supreme Court threw out the ACLU lawsuit challenging the state's tax credit law. The ACLU has appealed this ruling to the 9th Circuit Court of Appeals.

The state's new Superintendent of Public Instruction, Jaime A. Molera, has said that he favors high academic standards for all students.

Position of the Governor / Composition of the State Legislature

Governor Jane Dee Hull, a Republican, is an advocate of charter schools but has not been a notable supporter of full parental choice. Both houses of the legislature are controlled by Republicans.

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[13] Milton & Rose D. Friedman Foundation, *School Choice Issues in Brief*, Issue 4, May 16, 2001, p. 1.

[14] *Ibid.*

[15] Milton & Rose D. Friedman Foundation, *School Choice Issues in Brief*, Issue 4, June 5, 2001, p. 1

[16] Editorial, "Dollars to Students, Not Districts," *The Wall Street Journal*, January 12, 2001.

[17] Pat Kossan, "Failing-Schools Law Too Tough, Officials Say," *The Arizona Republic*, February 10, 2001.

[18] Staff Report, "Education Issues," *Arizona Daily Sun*, January 15, 2001.

[19] See Goldwater Institute at *www.goldwaterinstitute.org/pdf/032001cmbe.pdf*. See also Pat Kossan, "Charter Students Outdistance Others," *The Arizona Republic*, March 20, 2001.

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Arkansas

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1995, amended March 1999 and May 2001
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 4
  Number of students enrolled in charter schools (fall 2000): 748
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 17th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 454,427
- Number of schools (1998–1999): 1,106
- Current expenditures: $2,724,357,000
- Current per-pupil expenditure: $5,995
- Amount of revenue from the federal government: 7.8%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 29,174
- Average salary: $34,476
- Students enrolled per teacher: 15.6
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Arkansas Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	4% (6%)	1% (2%)	1% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	19% (23%)	22% (28%)	12% (18%)	11% (19%)	21% (24%)
Basic	(31%)	32% (31%)	45% (41%)	41% (42%)	39% (38%)	33% (33%)
Below Basic	(37%)	45% (39%)	32% (28%)	46% (38%)	48% (39%)	45% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 19th out of 26 states

Background

Arkansas has continued to make incremental progress on school choice since its enactment of a statewide open enrollment law in 1990. The 1990 law includes an outreach program to help parents find the best school for their children; transportation is the responsibility of the student.

In 1995, then-Governor Jim Guy Tucker, a Democrat, signed Act 1126, which allows any local school to become a charter school provided the charter does not infringe upon or remove existing collective bargaining requirements and is approved by the local board of education; has the support of two-thirds of its employees and two-thirds of the parents of its students; establishes a plan to meet state and national education goals; and accepts the state board's rules and regulations. However, because the strict bureaucratic requirements have discouraged teachers and parents at public schools from seeking charters, only four had opened by fall 2000.

Governor Mike Huckabee, a Republican, signed the Charter Schools Act of 1999 (Act 890) to lessen the burden on charters. The new law allows any university, private non-sectarian institution, or government entity to open one of 12 open enrollment charter schools and an unlimited number of schools to convert to charter schools. Each congressional district is limited to three open enrollment charter schools. Charter applicants that were turned down by the local school board may appeal to the state Board of Education. Charter school principals are permitted to hire "qualified" teachers who lack state certification. Despite improving the law to allow for start-up schools for the first time this year, the legislature still requires charters to obtain the blessing of the school district. Charters in districts under court-ordered desegregation plans must use a weighted lottery in student selection.

In 1997, Arkansas eased regulatory requirements on home schooling. Parents now must register their children just once a year rather than each semester, and must have their children tested in 5th, 7th, and 10th grades with their peers in public school rather than every academic year.

In 1998, the state became a Children's Scholarship Fund (CSF) partner, and CEO of Central Arkansas, the state's existing private scholarship program, became CSF Arkansas. The CSF, a $100 million foundation, matches funds raised by Arkansans to underwrite approximately 1,250 private scholarships to enable low-income children in elementary school (K–8) to attend a school of choice.[20] In 1999, CSF scholarship recipients were selected randomly by a computer-generated lottery of 12,210 applicants.

In 1999, the state House Education Committee failed to take up H.B. 2275, a voucher bill that sought to establish publicly financed scholarships equal to the district's per-pupil expenditure to enable students to attend a school of choice. A bill to offer tuition tax credits of up to $500 was introduced in the House Revenue and Taxation Committee but also failed to pass.[21]

Five years after passage of the charter law, the state's first charter was approved in January 2000. The Grace Hill Elementary School in the Rogers School District converted to charter status in order to gain more flexibility to restructure staffing and instruction. Two other schools have followed its lead and have gained charter approval: West Woods Elementary School in the El Dorado School District and Little Rock Charter Elementary in the Little Rock School District.

Developments in 2001

The state approved charters for two additional schools for fall 2001: the Academics Plus Charter School and the Sudbury Charter School.[22] The Gateway Charter School, an open enrollment school located in the Ozark Mountains, also will open in fall 2001.

In April 2001, Governor Huckabee signed into law Act 1311 of 2001, which amends the charter school law to allow any public school district to petition the state Board of Education for charter school status. Previously, conversions were allowed only at the local school board level. The bill also allows any eligible entity to petition the state Board of Education to apply for a charter to operate an open enrollment charter school in a commercial or non-profit facility or public school district.[23] Another bill (H.B. 1071), which was prefiled for the 2001 legislative session, would have permitted tuition scholarships for students in low-performing school districts, similar to Florida's Opportunity Scholarships,[24] but it died in committee in May 2001.

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[20] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[21] See Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[22] See *www.edreform.com/charter_schools/laws/summary.htm#arkansas* and *arkedu.state.ar.us/charter/schools.htm*.

The state Department of Education offered a charter school technical assistance workshop in May "to assist groups in preparing an application for a charter school, groups in the process of implementing an approved charter school application and groups considering the possibility of applying for a charter school."[25] The workshop covered such issues as procedural requirements, curriculum design, school finance, facilities, student and teacher insurance, teacher retirement, equity compliance, child nutrition, special education, federal programs, grant opportunities, and teacher mentoring, among others.

Position of the Governor / Composition of the State Legislature

Governor Mike Huckabee, a Republican, has signed two bills strengthening the state's charter school law. However, he remains skeptical as to whether a statewide voucher system could work in this predominantly rural state outside of urban areas such as Little Rock.[26] Both houses of the legislature are controlled by Democrats.

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[23] See *www.arkleg.state.ar.us/ftproot/acts/2001/htm/act1311.pdf/.*

[24] See National School Board Association Web site at *www.nsba.org/novouchers.*

[25] See *www.arkleg.state.ar.us/ftproot/acts/2001/htm/act1311.pdf/.*

[26] See Center for Education Reform Web site at *www.edreform.com.*

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California

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1992
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 261
  Number of students enrolled in charter schools (fall 2000): 121,598
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 21st out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 5,986,872
- Number of schools (1998–1999): 8,334
- Current expenditures: $37,743,144,000
- Current per-pupil expenditure: $6,304
- Amount of revenue from the federal government: 7.6%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 297,648
- Average salary: $48,923
- Students enrolled per teacher: 20.1
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests California Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	3% (4%)	1% (3%)
Proficient	(24%)	16% (23%)	21% (28%)	10% (18%)	14% (19%)	19% (24%)
Basic	(31%)	28% (31%)	42% (41%)	35% (42%)	34% (38%)	27% (33%)
Below Basic	(37%)	52% (39%)	36% (28%)	54% (38%)	49% (39%)	53% (40%)

- SAT weighted rank (2000): 10th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

The popularity of school choice is demonstrated by the fact that California boasts the nation's largest charter school enrollment: over 121,500 students attended 261 charter schools at the beginning of the current school year. The enormous variety of programs includes home-based education, independent learning, programs for the gifted and talented, schools for students expelled from traditional schools, schools for international studies, multilingual schools, and programs for youth released from detention centers.

Choice is appealing for a number of reasons. Despite significant increases in funding over the years, the state's public school system has had trouble meeting its education mandate, according to the Pacific Research Institute's *California Index of Leading Education Indicators 2000*. At least 30 percent of public high school students, for example, fail to graduate in four years.[27] California's students also repeatedly perform below the proficiency level on NAEP math and reading exams.

Charter schools outperformed traditional public schools on the state's 1999 Academic Performance Indicator (API) test, which measures school progress. As a percentage of schools, more charter schools scored in the top 50 percent of all public schools than did traditional schools.[28] Edison Schools performed extremely well, for example, on the state's standardized tests.[29] Edison Schools is a for-profit management company based in New York.

California responded to the growing demand for choice by enacting three interdistrict student transfer laws and one intradistrict transfer law promoting public school choice. Transportation requirements vary, from no allowance to permission in accordance with standard district practices.

Governor Pete Wilson, a Republican, signed the Charter School Act, sponsored by then-Democratic State Senator Gary Hart, in 1992. The act and its amendments permitted the establishment of 250 charter schools during the 1998–1999 school year and 100 schools each subsequent academic year. Petitions to convert to charter status must be signed by 50 percent of the teachers in an existing school or by 50 percent of the parents, or by a required number of teachers who indicate a "meaningful intent" to teach at a new charter school.

The strong law allows a charter to operate as a non-profit public benefit corporation and requires districts to provide space to charter schools if available. Teachers must be credentialed. Charter schools, largely free from state and district oversight, are not subject to district collective bargaining agreements.[30] Funding per student matches the district's average per-pupil expenditure, captured through a charter school block or "categorical" grant. District oversight fees are limited to 1 percent of the school budget or 3 percent if the district provides a building or site. Charter schools may negotiate separate fees for district services (such as payroll or special education). The five-year charters can be renewed at five-year intervals. Districts must specify in writing why an application was denied, and petitioners may appeal to the county or state Board of Education.[31]

California enacted a law in 1999 to allow charter schools to participate in revolving loans to new school districts, to clarify that the schools are subject to the statewide assessment tests given to public school students, and to require that charter school petitions address dispute resolution.

The courts have weighed in on the merits of the charter school laws by upholding in 1997, for example, a charter school's exemption from state collective bargaining laws.[32] In October 1999, the state Court of Appeals upheld a lower court decision rejecting a constitutional challenge to the charter school laws, including a provision permitting charters to be operated as non-profit benefit corporations. The court rejected the plaintiff's argument that the legislature had improperly delegated authority for education to private entities, creating a second school system and opening charters to religious institutions.

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[27] Lance T. Izumi, with K. Gwynne Coburn, *California Index of Leading Education Indicators 2000*, Pacific Research Institute, February 2000.

[28] Center for Education Reform Newswire, June 14, 2000; see at *www.edreform.com*.

[29] Edison Schools, press release, October 6, 2000.

[30] The schools and their employees are covered by state public employee collective bargaining laws, and charter school teachers may organize if they vote to do so.

[31] Correspondence from Pamela Riley, Pacific Research Institute, November 8, 1999.

[32] Center for Education Reform, "School Reform in the United States: State by State Summary," Spring 1997.

Despite the court ruling, the Democrat-controlled legislature and newly elected Democratic governor sought in 1999 to impose new regulations on charter schools. A.B. 842, which would have made charter school employees subject to their district's collective bargaining agreement, was defeated. It faced surprisingly strong opposition from Oakland mayor and former governor Jerry Brown. The legislature narrowly defeated an effort to restrict charter petitioners from "shopping" for sponsor districts, although it did restrict the ability of charter schools to operate independent or home-study programs, affecting more than 27,000 students or one-third of the total charter school student population. An effort to enact a bill to create a scholarship program to give students in poorly performing schools a choice also failed.

San Juan Capistrano Administrator Margaret LaRoe sought the authority to turn the entire district into a charter, arguing that independence from state regulations would enable districts to use their funds as needed and allow superintendents and school boards to concentrate instead on monitoring and supporting charter schools.[33] The Capistrano proposal received support from an unusual alliance that included Republican State Senator Bill Morrow and the California teachers association, which supported the effort because it guaranteed that the district would remain unionized.[34] Legislation to implement the proposal died in committee, but Morrow promised to try again in 2001.[35]

A new Oakland school superintendent, Dennis Chaconas, came to prominence in 2000 with a reform plan grounded in accountability. Principals, to keep their jobs, must meet annual goals for improving test scores, truancy, and graduation rates. Oakland's 90 public schools must each post a performance measuring stick—a speedometer-like gauge that indicates test scores, graduation rate, number of suspensions, and how many days teachers and students are absent—outside the principal's office. Each school's report card, along with its improvement goals, is also posted on the Internet.[36]

Previously ambivalent toward charter schools, Los Angeles Unified Superintendent Roy Romer is embracing them to ease classroom overcrowding (some 200,000 seats were needed in 2000–2001 to keep up with expanding enrollment) and to free administrators to concentrate on other problems.

According to the state's Academic Performance Index, nearly 3,200 schools are low-performing. Governor Gray Davis, a Democrat, established an accountability program that gives such schools money to raise test scores but also imposes sanctions if they fail to show significant progress. The rigorous academic standards in math, science, history, and English language arts will not be tied to the state's API for several years. The standards are already receiving high marks from groups as diverse as the Fordham Foundation and the American Federation of Teachers, and teachers are reporting that they are an important curriculum aid in designing focused lessons.[37]

In 1999, the first year of the state's accountability program, only 431 low-performing schools were selected to participate. In 2000, another 430 schools were chosen from over 1,400 that applied.[38] The two-thirds of low-performing schools not chosen are not held to the requirements of the accountability program. Schools that rank below average on the API can be selected over schools that rank at the very bottom of the scale; thus, some of the worst-performing schools do not participate in the program.[39]

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33. V. Dion Haynes, "Districts Seek to Join Charter School Movement," *The Chicago Tribune*, June 2, 2000.
34. Hanh Kim Quach, "An Unusual Alliance Could Help Capistrano Become a Charter District," *The Orange County Register*, August 1, 2000.
35. Hanh Kim Quach and Keith Sharon, "Speedy Charter-District Bill Fails," *The Orange County Register*, August 25, 2000.
36. Meredith May, "Principals Must Meet Goals to Keep Jobs," *The San Francisco Chronicle*, August 16, 2000.
37. Izumi and Coburn, *California Index of Leading Education Indicators 2000*, p. 41.
38. Duke Helfand, "Stakes Get Personal in School Reform," *The Los Angeles Times*, September 4, 2000.

In 2000, Arlene Ackerman, head of the San Francisco school system and former Washington, D.C., Superintendent of Schools, asked a committee to study a radical proposal to shift control of some of the district's $500 million budget to each of the city's 115 schools. The budgeting formula would give more money to schools that serve the neediest students. If adopted, it would be a major departure from the current funding system.[40]

Proposition 39, changing the requirement for approval of local bonds for school construction from a two-thirds majority to 55 percent, was passed in 2000. It also requires annual performance and financial audits on the use of bond proceeds.[41]

Publicly funded private school choice became a major political issue in 1993 when Proposition 174, which would have amended the state constitution to allow $2,600 vouchers for families to enroll their children in public, private, or parochial schools, made it to the ballot. However, the initiative faced stiff opposition from the California teachers association and received only 30 percent of the vote. Several other attempts to pass publicly financed school choice since then have failed.

In 2000, Silicon Valley venture capitalist Tim Draper sponsored Proposition 38, a voter initiative to provide parents, regardless of income, with universal vouchers worth $4,000 per child for use at any public or private school. As many as 6.5 million children would have been eligible.[42] Draper spent $2 million on a statewide signature-gathering campaign and another $23 million once the initiative was placed on the ballot. The state Board of Education, the California Education Association, and the Howard Jarvis Taxpayers Association opposed the measure. A June poll found public opinion to be split, with 34 percent for the initiative and 39 percent against; but on election day, the proposition was soundly defeated, winning only 30 percent of the vote. Opponents had spent $30 million to defeat the initiative.[43] Despite this setback, however, supporters of vouchers are considering another try in 2002. According to Patrick Rosenstiel, Proposition 38 Yes campaign manager, supporters are encouraged that they won one-third of the vote.[44]

Private scholarships continue to attract parents. The Children's Scholarship Fund (CSF), a $100 million foundation, had selected Los Angeles in 1998 as one of 40 "partner cities" to receive matching donations for private scholarships to help low-income students attend a school of choice. On September 28, 1998, the CSF named the entire San Francisco Bay Area a "partner" city, promising to match funds raised by Bay Area residents to fund approximately 500 private scholarships for low-income students to attend a school of choice. On April 22, 1999, the CSF announced the recipients of the scholarships selected in a computer-generated lottery. In the Bay Area, 1,200 recipients were chosen from 6,890 applicants; in Los Angeles, 3,750 recipients were chosen from 54,444 applicants.[45]

In 1999, the Independent Institute began offering need- and merit-based tuition scholarships to low- and moderate-income students in Alameda and Contra Costa Counties,[46] awarding 107 scholarships that year. In 2000, the applicant pool more than doubled, rising from 400 to 900. The institute awarded 165 scholarships for 2000–2001, an increase of 50 percent over the first year. The scholarships can be applied toward tuition at a San Francisco East Bay private or parochial school of choice.[47]

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39. E-mail correspondence from Lance Izumi, Pacific Research Institute, April 25, 2001.

40. Michael Bazeley, "Giving Schools Control," *The San Jose Mercury News*, October 22, 2000.

41. Nanette Asimov, "After 22 Years, Voters Overturn Supermajority Rule on School Bonds," *The San Francisco Chronicle*, November 9, 2000.

42. Jennifer Kerr, "Initiative Would Create Nation's Largest School Voucher Program," *San Francisco Gate News*, July 27, 2000.

43. Christ Burnett, "Voters Are Indecisive on Voucher Initiative," *Contra Costa Times*, June 30, 2000.

44. Jennifer Kerr, "State Board Votes to Fight School Voucher on Ballot," Associated Press, July 14, 2000; Dan Smith, "School Voucher Supporter Criticizes Leaders at Rally," *The Sacramento Bee*, July 15, 2000.

45. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

46. Correspondence from the Independent Institute, April 1, 1999.

47. Associated Press, "LA School District Likes Charter Schools," *Contra Costa Times*, September 4, 2000.

In 2000, the Catholic Education Foundation announced that it would award $4.5 million in scholarships to nearly 4,700 children from disadvantaged families enrolled in Roman Catholic schools in fall 2001.[48]

Developments in 2001

California's rigorous accountability standards, praised by groups like the Fordham Foundation, are not yet tied to the state's Academic Performance Index (API). Meanwhile, California is making schools accountable to the public by publishing school rankings on the Academic Performance Index, which is based largely on the Stanford 9 test.[49] Last year, according to the rankings released on January 16, 2001, 17 percent of the state's public schools met their target, a five-point improvement over 1999. Few schools advanced or slipped significantly on the Index. Rankings for the nearly 7,000 schools ranged from 200 to 1000. The state target last year was 800; only 12 percent achieved that level based on 1999 test scores.[50] Underperforming schools must meet their target within two years or face a variety of sanctions: state takeover, giving a charter to parents to run the school, removing the staff, or closing the school.

Schools can win lucrative cash awards by improving their API ranking by 5 percent. Between January and May 2001, nearly two-thirds of California schools will share $677 million from the state.[51] Cashing in, however, will become more difficult for thousands of schools under the governor's new proposal. Because rules would become stricter for schools that achieved 712 or above on the API last year, more than 33 percent of the schools in the state would face higher performance thresholds.[52]

A *San Francisco Chronicle* analysis shows that, with few exceptions, schools with large numbers of poor and limited English-speaking students were just as likely to win cash rewards in the first round as were more privileged schools. The findings contradict arguments that the program treats disadvantaged schools unfairly by distributing money based on academic performance rather than need.[53]

A narrow majority of San Francisco's new school board is philosophically opposed to for-profit management of public schools, such as Edison Schools. Edison manages 113 schools in 22 states and serves 57,000 students. Three years ago, the San Francisco board signed a five-year contract with Edison to run one of the city's schools through 2003. The school has had the third most improved showing on statewide tests[54] out of all 71 public schools in San Francisco.[55] Edison has kept its promise by dramatically improving the scores of these students in a troubled neighborhood,[56] but the Board of Education recently tried to revoke its contract.[57] On March 27, 2001, the board gave Edison 90 days to fix a host of shortcomings or lose its contract. The decision followed the release of a San Francisco Unified School District report that accused Edison Schools of discriminating against black students, urging special education students to apply elsewhere, and threatening teachers. Edison officials categorically denied these accusations.

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[48] Associated Press, "Catholic Foundation Offers $4.5 Million in Scholarships," *The Union–Tribune*, May 31, 2000.

[49] Center for Education Reform Newswire, January 16, 2001; see *www.edreform.com*.

[50] Martha Groves, "State Releases Rankings that Show Improvement in Schools," *The Los Angeles Times*, January 17, 2001.

[51] Nanette Asimov, Meredith May, and Kelly St. John, "New API Rankings Mean Money for Schools," *The San Francisco Chronicle*, January 17, 2001.

[52] Currently, schools above 711 on the index must improve by one to four points; the governor's proposal would demand a five-point gain. See Lisa Shafer, "Proposal Toughens Test Rules," *Contra Costa Times*, January 15, 2001.

[53] Elizabeth Bell, "State's Cash Rewards for Testing Reach Rich, Poor Schools Equally," *The San Francisco Chronicle*, May 22, 2001.

[54] Edison Schools, press release, October 6, 2000.

[55] Editorial, "San Francisco Flunks," *The Wall Street Journal*, January 17, 2001.

[56] Julian Guthrie, "Scathing Report Card for Edison School Board Gives Charter 90 Days to Comply," *The San Francisco Chronicle*, March 28, 2001.

[57] Edward Hyatt, "Higher Scores Aren't Always Cure-all," *The New York Times*, March 13, 2001.

On June 25, the San Francisco school board voted not to extend the charter for Edison Charter Academy. At the same time, however, it agreed to allow Edison Schools to request a state charter from the California Board of Education. Without this exception, the revocation of a charter by a local board would preclude Edison Schools from receiving a state charter under current law. Edison Schools agreed to pay the same rent other charters pay and the district agreed to pay for student busing for two years. Edison also must give up $300,000 in desegregation funds. Its teachers, who must become Edison School employees, were given two years to decide if they want to return to the traditional school system. On July 12, the state board voted unianimously to grant the charter.

Applications to attend the Bay Area's top private or parochial high schools far outweigh the number of available slots, which are so coveted that parents are willing to shuttle their children to schools hours from home. Since 1990, while the number of private and parochial high schools in the district has increased only slightly, applications have more than doubled. Parents cite their concerns about the quality of public education, the size of secondary school classes, and the risk of violence.[58]

Defying the region's economic recession, many private schools in Silicon Valley have raised tuition by at least twice the inflation rate in response to overwhelming demand and competition with the public schools for teachers. At a couple of schools in the Valley, tuition now equals or exceeds that of some private colleges in the area. Though many parents can afford to absorb the costs, others who might have two or more children in the same expensive school find the increases excessive.[59]

Nancy Ichinaga, a former principal at a high-performing school recently appointed to the state Board of Education, is nationally recognized for her refusal to accept the notion that poor and minority children cannot learn. At Bennett–Kew Elementary School in Inglewood, she implemented a strict phonics-based reading program combined with in-house testing and teacher development, and ended bilingual education and social promotion. The school, with a student body made up of over 50 percent African–American and Latino students and over 75 percent poor children, scored in the top level on the state's Academic Performance Index. Teacher associations, advocates of bilingual education, and other members of the education establishment who oppose reforms in the status quo attempted to block her confirmation.[60] She was finally confirmed in February 2001.

Charter school developments are mixed so far this year. After heated debate among school board members and the community, a charter school was approved for Vista on March 15, 2001.[61] State Controller and then-candidate for mayor of Los Angeles Kathleen Connell announced in March that she would have the city sponsor 60 charter schools over the next four years if she won. She also would create an office of education to assist groups trying to start charter schools. New charter schools would be required to use proven instructional methods and establish rigorous performance standards. Enrollment would be limited to 500 students at the elementary level, 1,000 in middle school, and 1,500 in high school. "As we have seen here, charter schools work," said Connell. "If the city gets behind this effort, more children will have access to this kind of educational opportunity."[62]

In late March, however, school trustees in Corona–Norco revoked the charter of California Hope Charter Academy in Riverside County, citing alleged violations of charter, state, and federal laws. The school, which opened in September 2000, sought to give students who study at home a place to take group music and drama lessons.[63] The Indio Charter School in Riverside County had until April 6, 2001, to respond to a list of concerns cited by the county Office of Education; if the answers are deemed unsatisfactory, the school's charter could be revoked.

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[58] Julian Guthrie, "Public's Push for Private Schools Applications Double for Limited Number of Slots," *The San Francisco Chronicle*, January 14, 2001.

[59] Larry Slonkarker, "Private School Tuition Soars," *San Jose Mercury News*, April 25, 2001.

[60] Center for Education Reform Newswire at *www.edreform.com* (February 13, 2001).

[61] Harry Brooks, "Charter School Issue Heats Up," *Californian North County Times*, March 5, 2001.

[62] Doug Smith, "As Mayor, Connell Would Promote Charter Schools," *The Los Angeles Times*, March 3, 2001.

[63] Mark Acosta, "Charter Is Revoked for California Hope," *The Press–Enterprise*, March 22, 2001.

Riverside County has had a string of charter denials and revocations rooted in disagreements over how much autonomy charter schools should have.[64] Meanwhile, the Sonoma Charter School, which scored the highest of any school in Sonoma Valley on the state's standardized test, is one of three district schools to qualify for the monetary bonus under the governor's program. It has a waiting list of 300.[65]

Time magazine characterized the Accelerated Charter School in South Central Los Angeles as the nation's best elementary school. Stanford achievement test scores at Accelerated have jumped 93 percent since 1997, with a 35 percent improvement in reading scores and a 28 percent improvement in math last year alone. The school outperformed the other public schools in its community by 270 percent on last year's standardized tests. This South Central Los Angeles community, plagued by crime and drugs, is comprised primarily of low-income Latino and African–American families, nearly half of whom have not completed 9th grade. Its experience shows that high academic performance is possible even in troubled communities.[66]

A Senate bill (S.B. 740) approved by committee on June 6, 2001, would cut funding for home-school charter schools that do not meet accountability standards by 10 percent in 2001–2002, 20 percent in 2002–2003, and at least 30 percent thereafter. The bill, authored by Senator Jack O'Connell (D–San Luis Obispo) to eliminate "abuses" by charter schools, would essentially require schools to justify their funding through test scores and other accountability measures. The bill proposes placing the money cut from charter schools into a fund to raise $10 million for building charter school facilities in low-income areas. Charter supporters are opposed to the measure.[67]

New legislation sponsored by state Senator Ray Haynes (R) that would require public school teachers to send their children to public schools is drawing sharp criticism from the state's largest teaching union. "[I]n their campaign to defeat school vouchers for all California families," notes Haynes, "the teachers' union argued that vouchers would destroy the public school system." A poll conducted by the teachers association, however, found that most of the 33 percent of teachers who have school-age children send their children to private schools.[68]

In May 2001, the Pacific Legal Foundation filed a lawsuit against the state Department of Education for imposing regulations on charter schools that are not authorized by law and that violate the spirit and intent of the Charter Schools Act. The suit charges that both the Superintendent of Public Instruction and the Department of Education force charter schools to abandon their own financial accounting systems and adopt more costly, inefficient, and burdensome reporting systems of the public schools. The suit was filed on behalf of the California Network of Educational Charters, a statewide organization dedicated to furthering the common interests of charter schools in the state, and Constellation Community Middle School, a charter school in the Long Beach Unified School District.[69]

Position of the Governor / Composition of the State Legislature

Governor Joseph Graham (Gray) Davis, Jr., a Democrat, opposes taxpayer-financed school vouchers.[70] Both houses of the legislature are controlled by Democrats.

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[64] Louise Knott Ahern, "Charter School Fights for Life," *The Press–Enterprise INDIO*, March 27, 2001.

[65] Center for Education Reform Newswire, May 3, 2001; see *www.edreform.com*.

[66] Center for Education Reform Newswire, May 16, 2001; see *www.edreform.com*.

[67] Michael Buchanan, "Charter School Advocates Oppose Bill," *Californian North County Times*, July 3, 2001.

[68] Wyatt Haupt, "Teachers' Association Blasts Proposal by Haynes," *Californian North County Times*, March 26, 2001.

[69] Pacific Legal Foundation, "Pacific Legal Foundation Takes Department of Education to Court over Illegal Regulations on Charter Schools," press release, May 21, 2001.

[70] Dan Smith, "California Gets 1st Democrat Chief in 16 Years," *The Sacramento Bee*, November 4, 1998, p. A16.

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Colorado

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1993, amended in 1998
  - Strength of law: Strong
  - Number of charter schools in operation (fall 2000): 76
  - Number of students enrolled in charter schools (fall 2000): 19,128
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 8th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 723,633
- Number of schools (1998–1999): 1,539
- Current expenditures: $3,864,151,000
- Current per-pupil expenditure: $5,340
- Amount of revenue from the federal government: 5.6%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 41,607
- Average salary: $39,284
- Students enrolled per teacher: 17.4
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Colorado Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	7% (6%)	2% (2%)	2% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	27% (23%)	28% (28%)	20% (18%)	22% (19%)	30% (24%)
Basic	(31%)	35% (31%)	46% (41%)	45% (42%)	42% (38%)	36% (33%)
Below Basic	(37%)	31% (39%)	24% (28%)	33% (38%)	33% (39%)	32% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 9th out of 26 states

Background

Colorado's strong effort to promote public school choice began in 1990, when the legislature adopted the Public Schools of Choice Act. This law requires all districts to establish policies and procedures for allowing open enrollment in all programs or schools for resident pupils, subject to space restrictions or desegregation plans. In 1994, the law was amended to allow students from other districts to enroll in a school without tuition payments from parents, subject to space and staff limitations. Parents may enroll their children in a public school either within or outside their district with four limitations: There must be adequate space; appropriate services must be available for the child (as in the case of special needs, either cognitive or physical); the child must meet eligibility requirements; and the child's admission must not create a need to modify the curriculum.

In November 1992, a full school choice ballot initiative, the Choice School Reform, was defeated by a margin of 62 percent to 37 percent. The initiative would have given parents vouchers worth 50 percent of the per-pupil expenditure to send a child to a public, private, or religious school of choice.

In June 1993, the legislature passed the Charter Schools Act. The Act allows any group of concerned parents, teachers, or members of the community to submit an application to open a charter school as a "public" school. It allows the schools to remain somewhat independent from state and local regulations. Enrollment in the schools is open. Funding for each charter is now 95 percent of average per-pupil revenue (the per-student amount determined yearly by the state legislature plus capital reserve and liability insurance). According to finance guidelines, state and federal funds flow from the state to the county, and through the district to the charter school. Each charter, through the application process, must seek waivers from specific district policies. It may petition the state board for waivers from state laws and regulations.

A challenge to the state school board's authority to overrule a local district's rejection of a charter application was upheld by the Colorado Supreme Court. Though the state board can order a district to approve an application, the terms of the contract are to be sorted out at the local level.

Several programs like Denver's Educational Options for Children (EOC) provide partial tuition scholarships to low-income students to attend a school of choice for a four-year period. This program is funded entirely by grants from the Adolph Coors Foundation. A total of $200,000 was awarded for the 1999–2000 school year, enabling approximately 110 students to attend a school of choice.

In May 1997, a group of African–American parents filed a lawsuit claiming that Denver was failing to teach basic skills to poor and minority students. The suit called for the district to grant poor families tuition vouchers to use at a public or private school of choice. In early 2000, a Colorado appeals court ruled against the parents, who had been joined by many others in the suit; that decision was appealed to the Colorado Supreme Court.

Colorado voters rejected a refundable tuition tax credit ballot initiative (Initiative 17) in the 1998 general election. The amount of the credit would have been at least 50 percent of the state's per-pupil expenditure, but no more than 80 percent of the actual cost of private school tuition. For children with special needs, the credits would have been higher.

According to the Colorado League of Charter Schools, legislation enacted in 1998 streamlined the charter school waiver process and provided charters with access to financing for tax-exempt facilities. The state's school finance act was changed to provide additional support to rural school districts with charter schools. The sunset provision of the Charter Schools Act was removed, making the act permanent.

On March 31, 1999, Governor Bill Owens, a Republican, signed into law a requirement that school districts fully fund charter schools at 95 percent of per-pupil revenue. Districts funded only 80 percent of charter school costs. The measure sponsored by Representative Doug Dean (R–18) and Senator Ken Arnold (R–23) increased funding to charter schools by about $6 million.[71] It also allowed districts to keep 5 percent of their per-pupil revenues to pay for charter school administrative overhead and to permit charter schools to enter into contracts with the district for other supportive services.

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[71] Dan Luzadder, "With the Stroke of a Pen, Owens Puts More into Education," *Denver Rocky Mountain News*, March 31, 1999, p. A10.

In June 1999, the governor signed S.B. 52 to authorize charter schools to develop and maintain on-line programs by themselves or with other charter schools, districts, or boards of cooperative services.

S.B. 100, a measure to create state charter school districts with the state board as their governing board, did not pass in 1999. Another bill, H.B. 1044, sponsored by Representative Nancy Spence (R–39) to allow local school boards to waive nearly all state regulations without approval by local accountability boards, parents, teachers, or administrators, faltered in the Senate education committee after being passed by the House.[72]

Two choice bills introduced in 1999 did not make it out of committee. Senator John Andrews (R–Arapahoe), the vice-chairman of the Senate Education Committee, introduced S.B. 162 to create a tuition tax credit for preschool tuition. S.B. 55 was introduced by Senator Doug Linkhart (D–Denver) to allow tax credits worth 25 percent of cash donations to a school in the state. It was approved by the Senate Finance Committee but died in the Appropriations Committee.[73]

Colorado NAACP President Willie Breazell was forced to resign his position after voicing his support for publicly funded private school choice in an August 17, 1999, opinion piece in the Colorado Springs *Gazette-Telegraph*.[74]

Conservative lawmakers and minority activists promoted an initiative in the 2000–2001 legislative session to create a statewide voucher program in the School Guarantee Act. Parents dissatisfied with their child's academic, moral, or physical well-being would receive a voucher to enroll their child in a school of choice. Once parents outlined their specific complaint, the school would have up to three months to respond. If parents were still dissatisfied, they would receive a voucher of about 80 percent of the per-pupil expenditure at the school (around $5,000). The plan was defeated in February 2000.

A group of voucher advocates launched a private scholarship program in February 2000 to award $1 million in scholarships annually to low-income Denver students to attend a school of choice. The Alliance for Choice in Education plans to award 500–700 grants each year.

Under the leadership of Governor Bill Owens, Colorado enacted in April 2000 an accountability system to grade schools according to student performance on state tests. Failing public schools that do not improve after three years would be forced to convert into a charter school.[75]

The state House passed a bill to allow groups of parents and educators to apply to the state board rather than the district for permission to operate a state charter school. The bill died in the Senate.[76]

In May 2000 the state Department of Education released a report on the 1998–1999 school year that made specific reference to the 51 charter schools in operation for at least two years. The report revealed that the charter schools were outpacing the traditional public schools. On average, charter students scored 10 to 16 percentage points above statewide averages, and three-fourths of charter schools were outperforming their home districts and schools with comparable demographic profiles.[77]

In July 2000, the Colorado Supreme Court effectively ended the effort by Colorado English for Children to place an initiative on the November 2000 ballot to require public schools to offer a one-year English immersion program for non–English-speaking students. The court ruled against the language of the initiative. Despite this setback, the group remains committed to placing the initiative on the 2002 ballot.[78]

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[72] Michelle Dally Johnston, "House OK's GOP School Bills," *The Denver Post*, January 30, 1999.

[73] The Friedman-Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[74] See Eric Gorski, "NAACP Head Steps Down," *The Gazette*, September 8, 1999, p. A1. See also Editorial, "Free Willie," *The Wall Street Journal*, September 17, 1999.

[75] Milton & Rose D. Friedman Foundation, *The Friedman Report*, No. 3 (2000).

[76] Fred Brown, "Charter Bill Excepted to Die Today in Senate," *The Denver Post*, April 25, 2000

[77] Robert Holland, "In Colorado, Fulfillment of the Charter-School Dream," *School Reform News*, May 2000.

In November 2000, voters approved a state funding increase in Amendment 23 by a margin of 52 percent to 48 percent. To create a $4.5 billion fund for education, the funding will increase by at least the rate of inflation plus 1 percentage point over the next decade, and by the rate of inflation each year thereafter. The additional funds will be drawn from state surpluses to fulfill a requirement that education funding from the general fund increase by at least 5 percent per year. Some critics worry that the amendment's broad categories will enable its funds to be spent rewarding the status quo.[79]

A referendum to direct up to $250 million in state surpluses into math and science programs over the next five years was defeated by a margin of 58 percent to 42 percent.[80]

By fall 2000, enrollment in Jefferson County's nine charter schools was more than triple the number of pupils in 1994–1995, the district's first year for charters. In 1999–2000, 21 percent of Jefferson County students had used choice options. including charters.[81]

Developments in 2001

Colorado schools are phasing out school report cards that assign letter grades in place of "accountability reports." On January 23, 2001, with the blessing of the governor, the House Education Committee approved a bill changing the grading system. Instead, accountability reports will now designate rankings of "average, low, or unsatisfactory" for schools that had received C, D, or F grades, and "excellent" and "high" for those receiving A and B grades.[82]

The 2001 legislature introduced three school choice bills:

- S.B. 64 to authorize a statewide universal voucher program, which was postponed for discussion;[83]
- H.B. 1219 to create tax credits for donations to organizations that award private tuition scholarships, which the House passed by a vote of 39 to 25;[84] and
- H.B. 1180 to establish a refundable K–12 tuition tax credit of up to $3,000 for tuition expenses and up to $1,500 for home-schooling expenses, which died in committee.[85]

In February 2001, the independent Pacey Economics Group based in Boulder, released a report on funding for Amendment 23. It shows that if the legislature continues to increase spending under the amendment at the 6.1 percent annual growth rate currently budgeted, the fund will accumulate enough money to support K–12 schools beyond 2025. It warned that if the annual growth rate falls by even 1 percent, the fund would be bankrupt by 2016. This would require extra funding from the budget and limit the success of other initiatives, such as Governor Owens's $6.8 million initiative for charter school construction.[86]

On April 25, 2001, the Bill and Melinda Gates Foundation announced an $8 million five-year grant for "high-tech" schools along with two initiatives to encourage small high schools. A plan to break up large low-performing schools will use as a model the breakup of Denver's Manual High School into three small schools this fall. Large high schools earning failing grades on summer school report cards can apply for this program. In addition, a network will be created to link charter high schools across the state in order to share effective practices and shoulder common costs. Governor Owens and Barbara

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78. Linda Chavez, "Colorado Initiative Delayed," Center for Equal Opportunity, August 2000.
79. "Voters Deliver Verdict on Host of State Ballot Questions," *Education Week*, November 8, 2000.
80. Holly Kurtz and Julie Poppen, "School Proposals Win One, Lose One," *The Denver Rocky Mountain News*, November 8, 2000.
81. Nancy Mitchell, "Jeffco Enrollment Dips; Charters, Choice Bloom," *The Denver Rocky Mountain News*, December 19, 2000.
82. John Sanko, "X-ing Out Schools' Letter Grades," *The Denver Rocky Mountain News*, January 29, 2001.
83. See National School Board Association Web site at *www.nsba.org/novouchers*.
84. See Children First America Web site at *childrenfirstamerica.org*.
85. School Reform News, "Tax Credit Proposals Proliferate," April 2001.
86. Nancy Mitchell, "Lawmakers Warned on School Funds," *The Denver Rocky Mountain News*, February 21, 2001.

O'Brien, president of the Colorado Children's Campaign, worked to secure the grant, believed to be the largest private award ever given to K–12 schools in the state.[87]

Position of the Governor / Composition of the State Legislature

Governor Bill F. Owens, a Republican, believes that public schools can be improved by closing down the state's worst schools, ending grants of tenure to new teachers, testing yearly, and requiring every high school junior to take the ACT college entrance exam. As a state senator, he had sponsored the Charter School Act and wrote the law that legalized home schooling. His education budget contains $3.4 million to establish seven special charter schools for disruptive students. The Colorado House is led by Republicans and the Senate by Democrats.

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[87] Nancy Mitchell, "High-Tech Schools Conceived," *The Denver Rocky Mountain News*, April 26, 2001.

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Connecticut

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1996
  Strength of Law: Strong
  Number of charter schools in operation (fall 2000): 16
  Number of students enrolled in charter schools (fall 2000): 2,138
  Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 10th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 558,860
- Number of schools (1998–1999): 1,069
- Current expenditures: $5,679,740,000
- Current per-pupil expenditure: $10,163
- Amount of revenue from the federal government: 4.7%
- Evaluation of school performance: Report card and rankings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 41,266
- Average salary: $52,100
- Students enrolled per teacher: 13.5
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP Test Results:

NAEP Tests Connecticut Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	11% (6%)	4% (2%)	3% (2%)	5% (4%)	3% (3%)
Proficient	(24%)	35% (23%)	38% (28%)	28% (18%)	26% (19%)	33% (24%)
Basic	(31%)	32% (31%)	40% (41%)	44% (42%)	39% (38%)	32% (33%)
Below Basic	(37%)	22% (39%)	18% (28%)	25% (38%)	30% (39%)	32% (40%)

- SAT weighted rank (2000): 8th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Connecticut continues to make progress in offering public school choice to parents. Though the state's charter school effort to improve achievement and desegregate schools has seen two casualties, the remaining charter schools boast long waiting lists. They are popular with parents and students, who prefer the smaller, more intimate classes, longer school days and specialized curricula.[88] The state reimburses public school districts that provide transportation to private school students, but this is the only manner in which public funds are used to support private education.

In 1995, Governor John Rowland, a Republican, established the Governor's Commission on School Choice in response to poor student performance on the Connecticut Mastery Tests. The commission's 16 members included public and private school teachers and administrators, public officials, business professionals, and a private school student. The commission made four recommendations:

1. *Establish a pilot early childhood choice program* to assist families in choosing from a broad range of accredited public and private early childhood education programs. Assistance could take the form of a state tax credit for a portion of the tuition and fees paid to the accredited program. Families with no tax liability would be eligible for a periodic credit toward tuition and fees.
2. *Expand Project Concern*, a public school choice program in Greater Hartford. Options could include accredited private schools and public schools for students in participating suburban districts. Parents of the students who chose a private school would receive an income tax credit or a scholarship of up to 50 percent of the district's per-pupil expenditure; the district would retain the rest. Any urban school that accepted an out-of-district student would receive a grant equal to 100 percent of the receiving district's revenue per pupil. The commission urged the legislature to consider additional financial incentives to encourage other districts to participate.
3. *Establish charter schools and give them full autonomy,* to be funded publicly on par with other public schools by receiving 100 percent of the district's average per-pupil expenditure. The schools would not charge tuition, subsidizing their start-up costs with private funds. Charter schools with religious affiliation were not recommended. The commission recommended that new charter schools should be free to structure their own curricula and exempt from teacher tenure and certification laws.
4. *Fund a school choice implementation study,* with the commission serving as watchdog.

On June 4, 1996, Governor Rowland signed a charter school bill authorizing the creation of 24 charter schools. The law went into effect on October 4, 1996.

In 1997, the state increased the grant for Project Concern students from $468 to $2,000 per student. The program remains voluntary. It also increased the enrollment cap for charter schools from 1,000 to 1,500. It additionally enacted the Enhanced Educational Choice and Opportunities Act, requiring districts to provide opportunities for students to interact with students and teachers from other racial, ethnic, and economic backgrounds. The law required districts to report by October 1, 1998, on the programs and activities they had initiated to foster such interaction; and to phase in and operate a statewide interdistrict attendance program for the next school year in Bridgeport, New Haven, and Hartford, making it statewide by 2005. Districts were also mandated to develop and implement written policies and procedures for encouraging parent–teacher communication.

A private scholarship foundation, CEO Connecticut, was established to serve low-income students in Hartford and Bridgeport. The program offered 301 five-year scholarships in 1998–1999 for students in kindergarten through 6th grade. CEO Connecticut's program doubled in size for 1999–2000, thanks to a $1 million donation to provide 250 four-year scholarships to low-income students in kindergarten through 5th grade in Hartford.[89]

In his State of the State address in February 2000, Governor Rowland called for increased funding for the existing school choice program and a tuition tax credit of up to $500 for the cost of tuition at private or religious schools. A bill (H. 5234) was introduced to create a tax credit against the state personal income tax for certain educational expenses as a "piggyback" credit of 15 percent of the federal HOPE and/or Lifetime Learning tax credit claimed on federal returns that year. The bill was designed to make higher education more affordable for middle-class families. It was referred to the Joint Committee of Bonding, Revenue and Finance but was never brought to the floor of the House. A Senate bill (S. 144) was also introduced to create a state personal income tax credit for primary and secondary education tuition expenses. Designed to foster competition among schools and to improve educational opportunities for students, this bill also never made it out of the Finance Committee.[90]

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[88] Natalie Missakian, "State Putting Charter Schools Under the Microscope," *The New Haven Register*, April 5, 2001.

[89] Correspondence from CEO Foundation, March 31, 1999.

Two other tuition tax credit bills were introduced in 2000. H.5098 and S.42 would establish a credit against the personal income tax for certain educational expenses. Both bills were referred to the Joint Finance, Revenue, and Bonding Committee, but never made it to the floor for debate. The bills were not reintroduced in 2001.[91]

By 2000, most of the state's charter schools reported that they were just getting by financially. Two had closed, one was under state review, and two others were expected to convert to regional magnet schools.[92] One of these conversions involves Hartford's Breakthrough Charter School, a charter school success story. The school's 175 students receive an education emphasizing moral character. Since the school's opening, test scores on the Connecticut Mastery Test have risen steadily, and in some cases are comparable to or exceed statewide averages. The legislature will consider funding the school as an interdistrict regional magnet school, which will send thousands of dollars in additional state assistance its way, opening it up to families across the Hartford region.[93]

Public Act 99–121, a statute intended to improve bilingual education, went into effect in 2000. It gives parents the power to choose whether their children will attend bilingual education programs.[94]

Developments in 2001

Governor John Rowland, whose support for school vouchers has churned controversy, proposed an urban scholarship program. He wants the state to spend $15 million of its projected surplus on a five-year pilot program to give parents in the state's poorest districts grants of up to $1,500 a year to send their children to private or parochial schools.[95] Democrat lawmakers on the legislature's Education Committee, however, refused to hold a public hearing on the bill and a similar one proposed by Republican leaders to provide vouchers for children in the 100 lowest-performing schools.[96] The bill ultimately stalled in the legislature, though proponents hope to revive it next year.

The five-year charters for six of the state's pioneering charter schools, including New Haven's Common Ground School, will expire next spring. In April 2001, the six schools underwent an intense review by the state Department of Education, consisting of self-study, public hearings, and site visits by educators from within and outside of the department. Four more schools will be evaluated in October. This unique renewal process for charter schools makes them more accountable than traditional public schools.

Position of the Governor / Composition of the State Legislature

Governor John Rowland, a Republican, strongly supports public and private school choice. He supported the recommendations of the Governor's Commission on School Choice and has vowed to fight for serious education reform. In his 2000 State of the State address, he proposed a $500 tax credit for parents of students who attend private or religious schools.[97] Both houses of the legislature are controlled by Democrats.

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[90] State of Connecticut Office of Policy and Management.

[91] Connecticut General Assembly Web site at *www.cga.state.ct.us*.

[92] Rick Green, "Charter Schools Feel the Pinch," *CtNow.Com*, April 8, 2000.

[93] Rick Green, "Schooling that Emphasizes Character," *The Hartford Courant*, December 26, 2000.

[94] Center for Equal Opportunity news release, August 25, 2000.

[95] Lisa Chedekel, "Rowland to Make Pitch for Vouchers," *The Hartford Courant*, February, 3, 2001.

[96] Phone conversation with state contact Lewis Andrews of the Yankee Institute for Public Policy Studies, April 6, 2001.

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[97] Jeff Archer, "Rowland Proposing Tuition Tax Credits for Connecticut," *Education Week*, February 16, 2000, p. 19.

Delaware

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1995
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 8
  Number of students enrolled in charter schools (fall 2000): 2,686
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 7th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 115,742
- Number of schools (1997–1998): 185
- Current expenditures: $971,677,000
- Current per-pupil expenditure: $8,396
- Amount of revenue from the federal government: 7.6%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 7,471
- Average salary: $47,047
- Students enrolled per teacher: 15.5
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Delaware Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	2% (2%)	1% (2%)	3% (4%)	1% (3%)
Proficient	(24%)	20% (23%)	23% (28%)	15% (18%)	16% (19%)	20% (24%)
Basic	(31%)	32% (31%)	41% (41%)	38% (42%)	36% (38%)	30% (33%)
Below Basic	(37%)	43% (39%)	34% (28%)	46% (38%)	45% (39%)	49% (40%)

- SAT weighted rank (2000): 18th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Delaware established public school choice in September 1996 by enacting a law to allow parents to enroll their children in any public school in the state if there is room. The burden of transportation costs for out-of-district students rests on the families. A funding mechanism for the transportation costs associated with intradistrict public school choice is established in law. It may not be used by parents whose children attend private or religious schools.

Charter schools became an option when then-Governor Thomas Carper, a Democrat, signed into law the Charter School Act of 1995 to allow the establishment of up to 15 public charter schools through 1999. The act prohibits religious, home-based, or sectarian charter schools. Each three-year charter is subject to review and termination by the approving authority at any time. The act allows charter schools some freedom from state and local regulations. It includes complex rules and regulations on teacher hiring and certification, funding procedures, and transportation financing.

Delaware's first two charter schools opened in September 1996. One of these schools targets at-risk students.

In 1997, State Representative Deborah H. Capano (R–12) introduced a bill to create a private school choice program. To offset the costs of private school tuition, the bill would provide annual scholarship grants to the parents or guardians of students attending an accredited non-public school whose public school district participates in the program by a vote of the school board or by referendum. Scholarships of up to $2,700 would be based on family income. The bill died in the Education Committee. In 1999, a bill offering a $500 tax credit for each K–12 student in a non-public school was defeated.[98]

Three new charter schools opened in September 2000. At Wilmington's East Side Charter School, 80 percent of students live in poverty. Nevertheless, the students are succeeding, proving that public school choice helps improve academic performance. Out of almost 200 public schools in Delaware, East Side Charter School is the only one in which every student tested in 2000 met or exceeded the state's standards in math. East Side is characterized by longer school hours and an extended school year; students wear uniforms and parents sign a type of contract of mutual responsibility. Teachers and administrators are free to innovate and initiate.[99]

Developments in 2001

Four new charter schools are scheduled to open in September 2001. Considering the size of the state, Dr. Larry Gabbert of the state Department of Education believes that this increase is significant and that the state's charter school movement is fairly strong. He is projecting that 10 charter schools will open over the next year.[100]

Position of the Governor / Composition of the State Legislature

Governor Ruth Ann Minner, a Democrat, does not support vouchers but does support charter schools. The Delaware House is controlled by Republicans, the Senate by Democrats.

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[98] The Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[99] Tom Carper, "The Delaware Model for Improving Schools," *New Democrats Online*, see www.ndol.org.

[100] Phone conversation with Dr. Larry Gabbert of the Delaware Department of Education, April 9, 2001.

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District of Columbia

District Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Citywide
- Charter school law: Established 1996, amended 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 37
  Number of students enrolled in charter schools (fall 2000): 9,254
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: N/A

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 76,139
- Number of schools (1998–1999): 164
- Current expenditures: $653,396,000
- Current per-pupil expenditure: $8,582
- Amount of revenue from the federal government: 18.0%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 4,719
- Average salary: $48,651
- Students enrolled per teacher: 16.1
- Leading teachers union: AFT

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests D.C. Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	3% (6%)	1% (2%)	1% (2%)	1% (4%)	0% (3%)
Proficient	(24%)	4% (23%)	10% (28%)	4% (18%)	4% (19%)	5% (24%)
Basic	(31%)	21% (31%)	33% (41%)	15% (42%)	15% (38%)	19% (33%)
Below Basic	(37%)	72% (39%)	56% (28%)	80% (38%)	80% (39%)	76% (40%)

- SAT weighted rank (2000): 23rd out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

The District of Columbia's experiment with school choice began in 1995 as a way to address the severe problems of the school system. Since then, the District has made public school choice much more of an option to help disadvantaged students in poorly performing schools. One reason is that the majority of D.C. students at every level still score in the bottom two categories of national assessments. For example, 75 percent of 11th graders scored below basic in math in 2000, and 48 percent were below basic in reading.[101]

In 1995, working with community leaders and the mayor, U.S. Representative Steve Gunderson (R–WI) proposed a plan to increase educational opportunities for the District's poorest students. His amendment to the FY 1996 D.C. appropriations bill was designed to help fund charter schools, give $3,000 vouchers to students whose family income fell below the poverty level, and give $1,500 vouchers to students whose family incomes are 180 percent of the poverty level. The vouchers would be redeemable at a public, private, or religious school in the District or surrounding counties in Virginia and Maryland.

Gunderson's voucher proposal died in the U.S. Senate following a filibuster led by Senator Edward Kennedy (D–MA), but his charter school plan passed and has been amended every year since 1997. The strong law set up two chartering authorities: the D.C. Board of Education and a Public Charter School Board. Any entity interested in opening a charter school could submit an application and if approved, the school would receive an automatic waiver from most District education laws.

The chartering authorities may approve as many as 20 charter schools each year. Many of the charters that have been granted are provisional; the schools must provide additional information or secure a building before receiving a full charter.

The 1997 charter school amendments were passed to give new charter schools advances for startup costs. The amendments established an annual payment of facility costs to charter schools; raised annual charter school funding from $1.235 million to $3.376 million in local funds (not already made available for the District's public schools); and created the New Charter School Fund revolving account (using unexpected FY 1997 funds and adding subsequent unexpected funds). The amendments expanded the approval period for charter applications to the full calendar year and gave $400,000 to the Public Charter School Board to help its members maintain a meaningful role in the process.[102]

Talk of a D.C. school choice plan was revisited when Representative Richard Armey (R–TX), then-Representative Floyd Flake (D–NY), Senator Joseph Lieberman (D–CT), and then-Senator Dan Coats (R–IN) introduced the D.C. Student Opportunity Scholarship Act of 1997. Similar to the Gunderson plan, this legislation would have provided up to $3,200 in scholarships for approximately 1,800 of D.C.'s poorest students in kindergarten through 12th grade to attend a public, private, or religious school of choice in the metropolitan area. The Senate approved the bill by voice vote on November 9, 1997, and the House passed it by a vote of 214 to 206 on April 30, 1998. However, President Bill Clinton vetoed the measure in May.

Three days after the President's veto, *The Washington Post* published the results of a May 1998 poll of District residents that found support for using federal dollars to send children to private or religious schools. Remarkably, 65 percent of the District's African–Americans surveyed with incomes under $50,000 favored the option. Overall, 56 percent of D.C. residents support school choice.[103]

In 1999–2000, the Public Charter School Board approved 10 applications for charter school status, bringing the total to 29 schools and the total enrollment to over 7,000 (10 percent of the public school enrollment).[104] One of the schools approved was Paul Junior High, which had been a community public school since 1926. The charter school opened its doors in September 2000 with 525 students.

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[101] Justin Blum, "Scores Are Up in DC Schools," *The Washington Post*, May 26, 2000.

[102] From conversations with and information via fax from Lex Towle, Managing Director, AppleTree Institute, January 6, 1997.

[103] Sari Horwitz, "Poll Finds Backing for D.C. School Vouchers: Blacks Support Idea More Than Whites," *The Washington Post*, May 24, 1998, pp. F1, F7.

A 1999 analysis of African–American students in Catholic and public schools in the District by The Heritage Foundation found that, after holding demographic and socioeconomic factors constant, the children in Catholic schools performed better in mathematics on the national assessments than did their public school counterparts. In fact, between the 4th and 8th grades, the performance gap between these students increased considerably; 4th grade Catholic school students scored 6.5 percent higher than did their public school peers, with the figure growing to over 8.2 percent by the 8th grade. Thus, the average 8th grade African–American Catholic school student in the District outscored 72 percent of his or her public school peers.[105]

The Children's Scholarship Fund (CSF) selected the District of Columbia as a "partner city" to fund private scholarships that would enable low-income students to attend a school of choice. At least 40,000 students—68 percent of the District's public school students in kindergarten through 8th grade—were eligible for the scholarships in 1999. In April 1999, the Fund announced that 500 recipients had been selected randomly in a computer-generated lottery from 10,770 applicants. The CSF has joined the Washington Scholarship Fund and other donors to raise $2 million to fund 400 new scholarships. This brought the total number of scholarships in September 1999 to 2,000.[106]

A 2000 study of 810 students who receive the Washington Scholarship Fund scholarships found that, after one year, African–American students in grades 2 to 5 who transferred to private schools were much happier and performed better in math and reading than did their public school counterparts, outscoring them by 7 percentage points on math tests and 2 points on reading tests. The study also found that 46 percent of private school parents gave their children's schools an "A," compared with just 15 percent of public school parents.[107]

A Harvard University study of 1,470 students in grades 2 to 8, released in late August 2000, showed that African–American students in the District, New York City, and Dayton, Ohio, outscored their public school classmates since transferring to private schools with the help of privately funded vouchers. The report compared public and private school students who had similar family backgrounds. District of Columbia students showed the greatest advances, moving 9 percentile points ahead of their public school peers in combined reading and math test scores.[108]

In 2000, D.C. public schools students showed marked improvement on the Stanford 9 math and reading achievement tests. The largest improvements occurred at the elementary school level where significant percentages of students moved out of the lowest scoring "below basic" level. The most dramatic example was in 6th grade math scores: 30 percent of the students scored below basic level, compared with 41 percent in 1999. Nevertheless, the majority of D.C. students still score in the bottom two categories of the national assessments.

On July 13, 2000, D.C. Superior Court Judge John H. Bayly, Jr., dismissed a challenge to the new school board charter amendment to change the make-up of the board for the first time in more than 30 years. It allowed for the replacement of the 11-member elected school board by a nine-member board, four of whom would be appointed by the mayor. In four years, the City Council is to revisit the issue and may make changes without another referendum. Voters passed the amendment on June 27 by a margin of 51 percent to 49 percent.[109]

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104. Susan Ferrechio, "D.C. Board Approves 2 Charters Out of 13," *The Washington Times*, February 18, 1999, p. A1.

105. Kirk A. Johnson, "Comparing Math Scores of Black Students in D.C.'s Public and Catholic Schools," Heritage Foundation *Center for Data Analysis Report* No. CDA99–08, October 7, 1999.

106. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

107. Paul Peterson, William Howell, and Patrick Wolfe, "School Choice in Washington, D.C.: An Evaluation After One Year," February 2000; paper prepared for the Conference on Vouchers, Charters, and Public Education, sponsored by the Program on Education Policy and Governance, Harvard University, March 2000.

108. Paul Peterson, "Test-Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington, D.C.: Evidence from Randomized Field Trials," Harvard University and The Brookings Institution, August 2000.

109. Neely Tucker, "D.C. Judge Rejects Challenge to New School Board Charter," *The Washington Post*, July 14, 2000.

Enrollment in the District's charter schools grew sharply in 2000, which advocates cite as evidence of a revitalization of education in the city. The number of students in all publicly funded schools rose roughly 40 percent to almost 10,000 in 33 schools, while the traditional public schools lost almost 1,800 students. D.C. School Superintendent Paul Vance does not view charter schools as a threat to public schools' financial resources; instead, he sees parents' enrollment of their children in charter schools as a challenge to improve education.[110]

The D.C. Charter School Board approved three new charter schools for fall 2001. It can approve up to 10 schools. The D.C Board of Education approved no schools for 2001, but is considering 12 new charter schools for fall 2002.

Every student attending one of the District's public and charter schools in fall 2001 will be fully funded. The fiscal year 2001 budget set aside $105 million for public charter schools, the full amount required by law. This will help to alleviate the hardships faced when the District fails to fulfill its obligations to fund charter school students on par with other public school students. In addition, the Control Board transferred jurisdiction over the District's surplus school buildings to the mayor to circumvent the District Board of Education, which had been frustrating charter schools' attempts to lease abandoned school buildings.[111] Still, charter schools had little success in obtaining buildings from the mayor.[112]

Approximately 13,000 students are expected to enroll in charter schools in fall 2001.[113] The Public Charter School Board's first school performance reports in 2000 indicated that most of the existing charter schools it ran had made small gains in standardized test scores.[114]

Developments in 2001

In March, Mayor Anthony Williams, a Democrat, said he would consider enlisting the help of Edison Schools, a for-profit management company, to help improve the poorest-performing D.C. public schools. After turning down the D.C. Board of Education's request for an 11 percent spending increase, he demanded that the school system be held accountable and justify the connection between more money and results. The mayor explained, "How can you justify increasing funds for a school system that is losing students?"[115]

In May, Senator John McCain (R–AZ) proposed a pilot voucher program that would allow students at poor-performing D.C. schools to attend a private or religious school with federal help. He ultimately withdrew the proposal. Senator Judd Gregg (R–NH) introduced a pilot program for up to 10 cities and three states. It would make vouchers available to low-income children in schools that have been failing for three years, while providing an outside evaluation of student performance and the vouchers' effect on the public schools. The experiment, which would have helped some students trapped in failing public schools while providing useful data on vouchers' potential effects,[116] failed by a vote of 58 to 41 on June 12, 2001.

Despite these defeats, the Senate Finance Committee, on March 13, 2001, approved an amendment to the Affordable Education Act of 2001 that would authorize tax-free savings accounts for K–12 expenditures. The Senate will consider this bill later this year. A similar bill was introduced in the House. And on May 29, 2001, Congress approved, as a part of the tax bill, a tax break for savings accounts that are used to send children to private elementary and secondary schools. The child tax credit provision is an expansion of what was formerly a college savings program and allows contributions of as much as $2,000 a year to education accounts whose earnings accumulate tax-free.[117] Some school choice proponents hail the provision as a first step toward vouchers.

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[110] Jabeen Bhatti, "Charter Schools Grow in D.C.," *The Washington Times*, October 24, 2000.

[111] District of Columbia, "FOCUS: DC Public Charter School Newsletter," Spring/Summer 2000.

[112] Phone conversation with Robert Cane of FOCUS, April 18, 2001

[113] *Ibid.*

[114] Jabeen Bhatti, "Charter Scores Increase Slightly," *The Washington Times*, August 25, 2000.

[115] Jabeen Bhatti, "Williams Says Schools Should Seek Private Aid," *The Washington Times*, March 15, 2001.

[116] Staff Report, "A Voucher Test," *The Washington Post*, June 4, 2001.

Another amendment offered by Senators Tom Carper (D–DE) and Judd Gregg includes several important provisions on charter school facilities financing. The measure would increase funding to $200 million in FY 2002, authorize federal incentive matching grants to states to start or expand per-pupil facilities aid programs, and clarify the tax-exempt status of interest paid by charter schools. The Carper amendment passed on June 13, 2001.

D.C. Council member Kevin Chavous wants to compel children as young as 2 years old to attend school or prove that they are being properly home-schooled. The plan has drawn criticism because it would force the school system to take responsibility for every 3- and 4-year-old when the system, they say, has failed to educate 5- through 18-year-old students.[118]

Position of the Mayor

Mayor Anthony Williams, a Democrat, is in favor of public school choice but does not support vouchers.

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[117] H.R. 1836 became public law on June 7, 2001.

[118] Staff Report, "From Delivery Room to Classroom," *The Washington Times*, June 20, 2001.

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Florida

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1996
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 151
  Number of students enrolled in charter schools (fall 2000): 27,713
- Publicly funded private school choice: Yes (Opportunity Scholarships, McKay Scholarships for Students with Disabilities, and a corporate tax credit for contributions to scholarship programs)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 35th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 2,428,121
- Number of schools (1998–1999): 3,044
- Current expenditures: $14,687,269,000
- Current per-pupil expenditure: $6,049
- Amount of revenue from the federal government: 8.3%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 134,921
- Average salary: $37,824
- Students enrolled per teacher: 18.0
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Florida Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	18% (23%)	22% (28%)	14% (18%)	15% (19%)	20% (24%)
Basic	(31%)	31% (31%)	42% (41%)	40% (42%)	37% (38%)	30% (33%)
Below Basic	(37%)	46% (39%)	35% (28%)	45% (38%)	46% (39%)	49% (40%)

- SAT weighted rank (2000): 18th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Florida is now the first state in the nation to offer a "money back guarantee" in the form of a statewide school choice plan that allows parents of students trapped in a failing school for two out of four years to transfer them to a better public, private, or religious school of choice. The state is in the forefront of providing scholarships to students who need them most to attend a school of choice, including private and religious schools.

The state's serious effort to promote school choice began in 1996, when it enacted a charter school law. Under that law, charter schools may be run by non-profit private groups under contract with or chartered by the district school board. Many of these schools have designed a curriculum for students with special needs, such as children with attention deficit disorder (ADD) or students who have transferred or been expelled from a traditional school, are at-risk of failing, or have behavioral problems such as truancy. At least one school focuses on discipline and citizenship; some offer individualized learning plans.

In 1997, the state passed a law to allow the school districts to develop their own public school choice plan, subject to the approval of the state Department of Education. Five counties (Bay, Dade, Lee, Manatee, and St. Lucie) received grants from the state and federal governments to implement their school choice proposals.

In April 1999, the legislature approved Governor Jeb Bush's A+ education plan, making Florida the first state to offer state-paid tuition scholarships to children in failing public schools to attend a public, private, or religious school of choice. The legislation set up a grading system for Florida's public schools based on test scores on the Florida Comprehensive Assessment Test (FCAT). Schools that improve their scores are rewarded with a grant of up to $100 per pupil. Students at schools receiving a grade of "F" for two consecutive years are able to transfer to a higher-scoring public school or a private or parochial school by applying for an Opportunity Scholarship, valued at the state per-pupil expenditure or the tuition and fees of the private school, whichever is less.

The Florida House approved the A+ Plan by a vote of 70 to 48, and the Senate by a vote of 26 to 14. The governor signed it into law on June 21, 1999. During its first year, the program was limited to two failing schools in Pensacola (around 1,000 students total). Of the 134 families at the two schools whose children were offered the Opportunity Scholarships, children from 78 families moved to another public school. Students from as many as 50 schools could qualify in the 2000–2001 school year. As of January 1, 2001, 53 students were still enrolled in the program.

The day after the Florida program was signed into law, the National Association for the Advancement of Colored People (NAACP), teachers unions, and others filed a lawsuit in Leon County Circuit Court, claiming it violates both the state and national constitutions. The Urban League of Greater Miami, represented by the Washington-based Institute for Justice, was named as a defendant.[119] On July 29, 1999, the American Federation of Teachers filed a second lawsuit against the plan. A state judge struck down the private school choice provision of the program on March 14, 2000. The court ruled that the Florida scholarship program violated the constitutional mandate that the state "provide a free education through a system of public schools." The ruling was appealed by the state and the Institute for Justice. The judge allowed the program to expand while his ruling was on appeal.

In June 2000, the Pinellas County School District and the NAACP Legal Defense Fund handed U.S. District Judge Steven Merryday an agreement between the two sides to limit the growth of charter schools. The proposal would maintain race ratios and busing in schools for several years as the district transitions to a new choice-based system of assigning students to schools. Ratios will disappear in 2007.[120]

No other schools received a failing grade during the 1999–2000 school year; all 78 schools that had received an "F" grade the prior year had made substantial progress on the writing part of the Florida Comprehensive Assessment Test. The governor and other voucher proponents say that the higher scores prove that the plan works and that raising expectations gets results.[121]

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[119] The Friedman–Blum *Education Freedom Report*, No. 72, June 18, 1999.

[120] Kelly Ryan, "Deal Limiting Charter Schools Goes to Judge," *The St. Petersburg Times*, June 30, 2000.

In July 2000, Governor Bush approved a plan to make Volusia County the state's first charter school district, freeing it from state rules and regulations in exchange for improved student achievement. This change made it the largest charter school district in the nation, with some 60,000 students and 65 schools. Another larger Florida county, Hillsborough, is slated to become the next charter school district with a proposal scheduled to come before the governor in September 2001. If approved, Florida would be home to the biggest charter school reform experiments in the country.[122]

Under a law that went into effect in 2000, disabled students may be eligible to receive vouchers to attend a private school regardless of how their neighborhood school fares in the A+ Plan. Parents who can show that their disabled children are not doing well at their public school can use the per-pupil money the state designates for that school to move them to another public or private school. Localities decide their own guidelines.[123] In late 2000, about 19 disabled children in Duval County and about 18 children in Pinellas and Hillsborough Counties took advantage of the state's offer to attend private school.[124]

A 2000 survey of more than 750 public school teachers found significant support for the possibility that the availability of vouchers caused a dramatic improvement in test scores at some of Florida's worst public schools. Of those surveyed, 65 percent said that the A+ Plan played a "minor" or "major" role in education changes. Only 17 percent said that it played "no role."[125]

More of Florida's teachers are jumping on the charter school bandwagon. The United Teachers of Dade entered a partnership with Edison Schools, the nation's largest private, for-profit school management company, to operate 10 charter schools in Miami–Dade County—a dramatic departure from the union's once-hostile stance toward charter schools.[126] The union sees this unlikely partnership as a strategic move against the experimental A+ scholarship program: "If we...gave every parent the right to go to any quality public school, it would just kill the voucher movement," said Pat Tornillo, executive vice president for the union.[127]

Several pro-voucher candidates won their state-level races in 2000, such as the new Commissioner of Education, former State Senator Charlie Crist (R). In a race viewed as a referendum on the Florida A+ Plan, Crist won by a margin of 54 percent to 44 percent over a candidate who had vowed to gut the program. The new Escambia County School Superintendent, Jim Paul, defeated another bitter critic of the program. A pro-choice candidate, Durell Peaden, defeated State Representative DeeDee Ritchie—who had spearheaded the Democratic attack on the A+ program—for the open Pensacola State Senate seat.[128]

On October 3, 2000, the Florida First District Court of Appeals ruled that the school voucher program is constitutional and may remain in effect. The decision reversed the March ruling by the judge for the Leon County Circuit Court that the Opportunity Scholarships violated the state constitution, which bars the legislature from using public funds to aid private school students. The appellate court found that lawmakers experiment with different ways of working "for the common good," and that the state Constitution "does not unalterably hitch the requirement to make adequate provision for education to a single, specified engine, that being the public school system."[129] The Florida

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121. Analisa Nazareno, "School Voucher Storm Settles into a Lull," *The Miami Herald*, June 21, 2000.

122. Diane Rado, "Florida Approves Charter District," *The St. Petersburg Times*, July 12, 2000.

123. Kelly Patrick, "Disabled Students Can Get State Vouchers to Attend Private Schools," *The Sun Sentinel*, July 13, 2000.

124. Laura Diamond, "Vouchers for Disabled Students in Trial Run," *The Florida Times-Union*, September 3, 2000; Stephen Hegarty, "Disabled Step Up Use of Vouchers," *The St. Petersburg Times*, September 10, 2000.

125. Chris Prawdzick, "Florida Teachers Concede Vouchers Spurred Improvement," Alexis de Tocqueville Institution, August 30, 2000.

126. Analisa Nazareno, "Teachers' Union to Run 10 Charter Schools," *The Miami Herald*, September 8, 2000.

127. Analisa Nazareno, "As Charter Schools Open, Teachers Are...Getting on the Bus," *The Miami Herald*, October 23, 2000.

128. Center for Education Reform Newswire, November 9, 2000; see *www.edreform.com*.

129. George A. Clowes, "Court Upholds Florida Voucher Program," *School Reform News*, November 2000.

Supreme Court has refused to consider challenges made to this reversal.

The voucher system in Florida combined with the testing of students and the grading of schools has shaken up the public education establishment. Vouchers open the door to competition in education, which has had a positive impact on the public schools in Florida.[130] It increased the focus on basic education, which resulted in substantial improvement in test scores.

In late October 2000, the Pinellas School Board approved a public school choice plan.[131] The plan means that in fall 2003, students entering the district's schools for the first time will not be guaranteed a seat at their neighborhood school. Instead, they will choose a school from among several in an attendance area and wait to hear if they get into their first choice. Some students will have the option of being grandfathered into this program, allowing them to attend the public schools they are currently zoned to attend. Black children, for example, who have been bused to schools far from home, could choose to be grandfathered in to a closer school.

In 2000, Pasco County school teachers were evaluated for the first time on how much their students learned—almost two years before the state is to begin requiring districts to put at least 5 percent of their teachers' salary pool into a merit-pay system to reward teachers for their students' achievement on standardized tests. Teachers will receive either a "satisfactory" or "unsatisfactory" rating in eight areas, ranging from classroom management to communication to subject knowledge.[132]

Across Florida, school staffs received more than $80 million in "school recognition" money for improving their performance scores in 2000. More than 1,000 schools earned the money with an "A" grade or by improving one or more letter grades. Every school that qualified received $100 for every student enrolled. Slightly more than half the schools statewide reported plans to use the money to reward their staff with one-time bonuses of $300, $500, or $1,000.[133]

In November 2000, the NAACP Legal Defense Fund objected to a new charter school proposal in the city of Oldsmar because the applicants did not specifically guarantee to abide by a recent court desegregation settlement. The settlement of Pinellas County's long-running school desegregation lawsuit required race ratios in every school. Despite the objections raised, the project's chief supporter, Ed Manny, stated he would continue his efforts to create the new school.[134]

Competition increased in late 2000 for the limited 2001 charter contracts available in the Miami–Dade County school system. The school board received applications from 17 organizations for 36 charter schools, but only 13 contracts were available. The number of applicants was three times greater than in 1999—which some believed was due to the infusion of $23 million in new state funds for school construction, four times the amount spent in 1999 and just enough for corporate school management companies to build larger schools.[135]

On the private scholarship front, Miami and Tampa Bay became Florida's first two "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The organization matches the funds raised by residents in these cities to offer four-year scholarships (1,250 in Miami and 750 in Tampa Bay) to low-income children entering kindergarten through 8th grade to attend a school of choice.[136] The first winners announced in April 1999, selected in a computer-generated lottery, included 625 Miami children chosen from 27,098 applicants; and in Tampa and St. Petersburg, 750 recipients out of 12,509 applicants.[137]

Wealthy Tampa businessman John Kirtley announced in April 2000 that he had raised $2 million for private inner-city schools that agree to accept students enrolled in the governor's voucher program. In exchange for accepting publicly funded voucher students, the schools would be eligible for grant money from Kirtley's non-profit School Choice Fund to use for building expansion and renovation, books, computers, transportation, and other needs except tuition costs. At least 35 private schools in Florida applied for the grants.[138]

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[130] Education Leadership Council, *ELC Weekly Policy Update*, January 19, 2001.

[131] Kelly Ryan, "School Board Approves Choice Plan," *The St. Petersburg Times*, October 25, 2000.

[132] Kent Fischer, "Evaluations Tied to Student Achievement," *The St. Petersburg Times*, October 2, 2001.

[133] Stephen Hegarty, "Good Grades Pay Off for School Employees," *The St. Petersburg Times*, December 26, 2000.

[134] Ed Quioco, "Leader: Push for Charter School Goes On," *The St. Petersburg Times*, November 20, 2000.

[135] Analisa Nazareno, "Charter School Rivalries Heat Up," *The Miami Herald*, December 13, 2000.

[136] See Children's Scholarship Fund, at *www.scholarshipfund.org*.

[137] *Ibid.*

Developments in 2001

For the third consecutive year, Governor Jeb Bush's top priority remains improving student achievement. In January, he announced that Florida would recruit new and former teachers with an aggressive campaign that includes signing bonuses and alternative certification, asking lawmakers to more than double the money the state spends on recruitment and retention to $169 million. The governor stated that pay is an important issue in getting and keeping teachers.[139]

Governor Bush recommended in his executive budget for fiscal year 2001–2002 an increase in K–12 spending, an increase in teacher salaries and benefits, other recruitment and retention initiatives, an increase in the A+ Supplemental Academic Instruction Fund, monetary awards to schools that demonstrate significant improvement, and services for developmentally disabled students.[140] He also proposed $327 million in tax relief during an Associated Press Legislative Planning Session.[141]

Meanwhile, 53 students in Pensacola are attending private schools under the Opportunity Scholarships Program, a number that could grow to thousands if the voucher program survives the court challenge. No schools were given a failing grade on the state's third report card released in May 2001.

Jay P. Greene, a research associate at Harvard University's Program on Education Policy, released an analysis of the Florida A+ program. He found that in 1999–2000, the 78 failing schools had improved an average of 17.59 points in reading and 25.66 points in math on the state assessment (the FCAT), which uses a scale of 100 to 500, compared with 10.02 points in reading and 16.06 points in math for schools that had received a D rating.[142] However, some scholars have recently questioned the conclusions of the study.[143]

School choice fared well in 2001:

- The Senate unanimously passed, and the governor signed, S.B. 1180 to significantly expand the McKay Scholarships for Students with Disabilities program. Under this program, a disabled child who has failed to meet individual performance goals can qualify for a voucher, regardless of what school he attends. The bill was signed by the governor on May 31, 2001.[144] More than 1,000 students are attending 96 private schools in 36 counties.[145] This program could disappear if opponents of choice win the court case on the A+ program for children in failing schools.
- The governor signed a law on June 13 to provide tax credits to corporations that donate up to $3,500 to non-profit organizations which award scholarships to children from low-income families. The House had passed H.B. 271 enacting this measure by a vote of 71 to 46 on March 9.[146] Representative Joe Negron (R–Stuart) said the state would save money by enacting the credit

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138. Jacqueline Charles, "Schools Offered $2 Million to Accept Voucher Students," *The Miami Herald*, April 21, 2000.

139. Staff Report, "Governor's Goal: Get, Keep Teachers," *The Florida Times-Union*, January 11, 2001.

140. State of Florida, "Governor Bush Unveils Fiscal Year 2001/2002 State Budget Proposal," Florida's e-Budget, at *www.myflorida.com/ebudget*.

141. Associated Press, "Governor Bush to Propose Cut in Taxes," *The Palm Beach Post*, January 17, 2001.

142. Scott S. Greenberger, "Voucher Backers Tout Fla. Scores," *The Boston Globe*, February 16, 2001.

143. Jessica Sandham, "Second Study Questions Research Linking Voucher Threat to Gains," *Education Week*, March 28, 2001.

144. Associated Press, "Legislature Creates School Vouchers for Disabled Kids," *The Florida Times-Union*, May 5, 2001.

145. "Voucher Program for Disabled Quietly Enrolls 1,004 Students," *News-Journal Online*, February 5, 2001.

146. Mike Salinero, "Senate Committee Approves Corporate Tax Voucher Bill, *The Tampa Tribune*, March 14, 2001.

because it spends $5,200 on each public school student while the corporate scholarship limit would be $3,500.[147] H.B. 271 was substituted with H.B. 21, which the governor signed.[148] A companion bill in the Senate, S.B. 1048, approved by a vote of 25 to 14 on April 12,[149] was signed by the governor on June 13 as well.[150]

- H.B. 303 and its companion (S.B. 504) were introduced to give each student in schools where enrollment exceeds 120 percent of capacity a $3,000 grant to use toward tuition at a private school. H.B. 303 was approved by the state House on March 22, 2001. However, S.B. 504 never made it to committee.

Most of Miami–Dade's charter schools showed a marked improvement on this year's Florida Comprehensive Assessment Test. In fact, the highest math and reading scores in Miami–Dade and Broward Counties were posted by the Miami Shores/Barry University Charter School.[151]

Two Duval County charter schools plagued by severe mismanagement and low test scores are to be closed by the school board at the end of the school year. One school had failed to fingerprint 13 members of its teaching staff as required by state law, and 24 of its instructors lacked teaching certificates. The IRS found the other school had been operating for profit, also a violation of state law. Its student test scores are below the district and state averages. Closing the schools will force 530 middle school students to attend new schools next year.[152] Duval County has seen nine charter schools open and three close.[153]

In the future, Florida's governor will appoint the members of the state school board, rather than their being elected in a statewide race. This in part is a reaction to growing calls for governors to become more involved in bolstering poor schools by setting uniform education rules and making schools more accountable for their performance. Similar changes are occurring in Indiana, New Mexico, Oregon, and South Carolina.[154]

On April 26, 2001, the Florida Supreme Court declined to review the October 2000 ruling by the state's First District Court of Appeals, which upheld the constitutionality of the Opportunity Scholarship Program and let stand a decision to allow public funds to flow to private schools under certain circumstances, including the A+ Plan. The court emphatically rejected the arguments of the teachers unions and other special interest groups that the state constitution prohibited the use of public funds to aid students in private schools. The case will now head back to the Leon County Circuit Court, which will consider the union's other claims.

The opening of several charter schools in Miami run by Edison Schools, with the unusual backing of the local teachers union, has been delayed until at least fall 2002.[155]

Position of the Governor / Composition of the State Legislature

Governor Jeb Bush, a Republican, is an avid proponent of parental choice in education. During his first term, he successfully championed a plan allowing students in chronically poor-performing schools to attend private schools with publicly funded vouchers, stating that "We must dismantle the bureaucracy and make our schools parent-oriented and performance-driven."[156] Both houses of the legislature are controlled by Republicans.

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147. Bill Kaczor, "Democrats Assail Voucher Expansion," *The Miami Herald*, February 9, 2001.

148. Information provided by the office of Florida State Senator Donald Sullivan (R–Pinellas), June 27, 2001.

149. Salinero, "Senate Committee Approves Corporate Tax Voucher Bill."

150. Information provided by the office of Senator Sullivan, June 27, 2001.

151. Center for Education Reform Newswire, June 5, 2001; see *www.edreform.com*.

152. Laura Diamond, "Board OKs Closing of Two Charter Schools," *The Florida Times-Union*, March 21, 2001.

153. Laura Diamond, "Charters Doomed by Debt," *The Florida Times-Union*, March 25, 2001.

154. Mark Stricherz, "Governors Seeking Levers to Improve Education," *Education Week*, March 28, 2001.

155. *Education News*, May 25, 2001, see *www.EducationNews.org*.

156. National Governors' Association, press release, November 4, 1998, at *www.nga.org/Releases/PR-4November1998Issues.htm#Education*.

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Georgia

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1993, amended 1995, 1998
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 35
  Number of students enrolled in charter schools (fall 2000): 21,855
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 41st out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,457,620
- Number of schools (1998–1999): 1,843
- Current expenditures: $8,902,222,000
- Current per-pupil expenditure: $6,107
- Amount of revenue from the federal government: 6.6%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 91,140
- Average salary: $42,216
- Students enrolled per teacher: 16.0
- Leading teachers union: N/A

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Georgia Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	19% (23%)	24% (28%)	12% (18%)	14% (19%)	20% (24%)
Basic	(31%)	31% (31%)	43% (41%)	40% (42%)	35% (38%)	28% (33%)
Below Basic	(37%)	45% (39%)	32% (28%)	47% (38%)	49% (39%)	51% (40%)

- SAT weighted rank (2000): 24th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Public school choice became a state initiative in 1992 when then-Governor Zell Miller, a Democrat, proposed an education reform package that included charter schools. A year later, he signed bills to create a Council for School Performance and the charter school program. The council, which was tasked with evaluating and reporting on the progress of Georgia's schools, was eliminated in 2000 and its functions assigned to the a new Office of Education Accountability.

There is no limit on the number of charter schools that may be formed within the state or the districts. However, the 1993 charter law permitted only existing public schools to convert to charter status. The state school board could revoke a charter at any time if it appeared the school was failing to fulfill its commitments. Under a law enacted in 1998, parents and other groups may create charter schools.[157]

Governor Miller signed an amendment in 1995 to simplify the process of forming or renewing a charter by changing the requirement for teacher support from a two-thirds vote to a simple majority. Another amendment to the charter school law extended the length of the charters from three to five years. The governor included $5,000 grants to assist charter schools in their planning process.

During the 1998 legislative session, both houses of the legislature passed House Bill 353 to improve the charter school law. This legislation, introduced by state Representative Kathy Ashe (R–46) and state Senator Clay Land (R–16), with the support of Superintendent of Schools Linda C. Schrenko, permits local schools, private individuals and organizations, or state or local entities to operate a charter school. State and local boards of education must approve each charter.[158]

Vouchers gained attention in 1993, when Glenn Delk, president of Georgia Parents for Better Education, publicized a 1961 law that provided education grants to help white families avoid desegregated public schools and attend a public or private school of choice. Some minority parents and children soon used the same law to obtain school choice. State officials then deemed the law "unusable," but strong public interest encouraged then Lieutenant Governor Pierre Howard, a Democrat, to call for special public hearings before the Senate Education Committee. In 1994, the Southeastern Legal Foundation took up the cause on behalf of some of Georgia's poorest families. It sought a decision to allow the state and local school districts to enforce the law with tuition vouchers for children in kindergarten through 12th grade. On March 17, 1997, the Georgia Supreme Court handed down a decision that did not challenge the law's constitutionality, but also did not order the state to enforce it, leaving the matter up to the legislature.

In 1999, Senator Land introduced an Early HOPE Scholarship bill (S. 68) designed to award state-funded scholarships of about $3,500 to families earning less than two times the federal poverty level and whose children attended poor-performing public schools. Senate Democrats blocked consideration of the bill by the Education Committee. As a result, Senator Land introduced the Early HOPE measure as a floor amendment to another education bill, and a two-hour school choice debate ensued. The bill failed along party lines, but will likely receive closer scrutiny,[159] since the Georgia Council for School Performance had identified 94 failing public schools. These schools are often in poor neighborhoods where families spend disproportionate sums on the lottery, and many minority parents and leaders are calling for the use of state lottery proceeds to fund K–12 opportunity scholarships. The state constitution makes clear that the state must provide an "adequate" education to its citizens.

In 1999, Governor Roy Barnes, a Democrat, created an Education Reform Commission to study ways to improve public education. The commission's Accountability Committee, comprised of elected officials and business and education leaders, recommended "top-down" education reforms, such as increased spending on teacher training and recruitment, criterion-referenced testing, and reconstitution of failing schools. The proposals also included a plan to end teacher tenure. Meanwhile, the Republican caucus in the Georgia Senate proposed an accountability package similar to the commission's proposal, but which included opportunity scholarships for families whose students attend failing public schools. The plan, endorsed by School Superintendent Schrenko, ultimately failed in the legislature.

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[157] Shannon Womble, "Georgia's Charter Schools Less Diverse," *Jacksonville.Com*, May 22, 2000.

[158] The full text of this bill is available at *www.ganet.org/*.

[159] E-mail correspondence received November 19, 1999, from Jim Kelly, Georgia Community Foundation.

According to the Indianapolis-based Friedman Foundation, the legislature adopted a modified version of the governor's education reform plan, which abolishes tenure for teachers hired after July 1, 2000, and sets up a new system of accountability. It includes annual testing in core subjects and end-of-course tests in high school. Schools receive grades of "A" to "F" based on how they perform against the state standard. Parental choice for students in failing schools would be limited. During the debate, Republican lawmakers attempted to amend the measure to offer full choice to families with children trapped in failing schools. Their amendments failed, but the new accountability system could expand opportunities for school choice in the future.[160]

Recent research by the Georgia Office of Charter School Compliance reveals that the state's charter schools have more white and wealthy students than do schools in other Southern states. Only 31 percent of its charter school students receive free or reduced-price lunches, and about 61 percent of the students are white.[161] Until 1998, Georgia law allowed only existing public schools to convert to charter schools. Because parents and other groups may now create a charter school, officials expect the demographic make-up of charter schools to become more diverse.[162]

As part of its education plan to use test scores to hold schools accountable, the state is spending $50 million to develop a student information system, which could be functioning as early as 2003. Some school districts have decided not to wait and are buying test score analysis programs to facilitate the tracking of student performance.[163]

The state board gave final approval to a rule in 2000 that provides choice for children in crowded, portable classrooms or who live excessive distance from a public school..[164]

A Charter School Resource Center was established in 2000 by the Georgia Public Policy Foundation (GPPF) to help groups maneuver through the daunting legal and financial challenges involved in opening a charter school. The GPPF also releases rankings of every public school in the state, encouraging parents to learn more about their children's schools and to compare their school's performance against others.[165] Meanwhile, charter school petitioners and operators have formed an association to network and to lobby for changes in charter school law and policy, and to educate the public about charter schools.[166]

In response to complaints by charter advocates, state school board members decided in late October to revise the board rule that allowed charter schools to apply to the state board after being denied permission to open by the local board of education. The law took effect in July 2000. State Superintendent Linda Schrenko said that she could not support the proposed rule change because it would place too many restrictions on schools created to be independent of bureaucratic regulations. Under the revised rule, a representative of charter schools will sit on the state board's charter review committee. Local school systems will also be required to report the money the charter schools receive so that the board can ensure charter schools are treated the same as other public schools.[167]

However, Glenn Delk, president of Georgia Parents for Better Education, charged that the new rule proposed by the state would nearly stop the flow of money to charter schools.[168]

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160. The Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 3, 2000.

161. Information provided by Nancy Verber of the Georgia Department of Education, May 2001.

162. Shannon Womble, "Georgia's Charter Schools Less Diverse," *Jacksonville.Com*, May 22, 2000.

163. Paul Donsky, "Some Schools Get Early Read on Test Data," *The Atlanta Journal-Constitution*, July 31, 2000.

164. James Salzer, "Student Transfers May Be Permitted," *The Atlanta Journal-Constitution*, July 14, 2000.

165. See *www.gppf.org/2000reportcard.htm*.

166. E-mail correspondence from Nancy Verber, Senior Policy Research Analyst, Georgia Department of Education, April 27, 2001.

167. Shannon Womble, "Charter School Rule to Be Revised," *The Florida Times-Union*, November 10, 2000.

DeKalb County Superintendent James Hallford appointed 27 parents to a task force to consider whether changes were needed in programs that offer parents a choice, such as magnet programs, theme schools, and charter schools, and to determine their historical purpose and effectiveness. The county provides more school choice than any other metro Atlanta district.[169]

Governor Barnes invited Boston philanthropist Lovett C. Peters to bring his promise of a money-back guarantee in Massachusetts to Georgia as well as a way to improve schools. Peters had offered $1 million to Massachusetts public schools that became charter schools but failed to raise students' test scores. School officials had declined his offer. If Peters makes his offer in Georgia, parents at a handful of low-performing schools would seek approval from their local school boards and the state board to convert to charter schools. Those schools would continue to receive public money but would be free of many of the regulations that govern other public schools. After five years, if standardized test scores at these schools did not exceed the district average, Peters' foundation would pay the district $1 million and the district would resume control of the school.[170]

Atlanta and Savannah first became "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF matches funds raised by these cities' residents to fund private scholarships for low-income students to attend a school of choice. On April 22, 1999, the CSF announced the winners of the first computer-generated lottery, awarding scholarships to 380 recipients in Atlanta out of 13,798 applicants; in Savannah, 250 recipients were selected from 4,015 applicants. Many of the scholarships are used to send children to schools operated by local churches. This has caused influential African–American religious leaders in Georgia, including CSF board member and former U.N. Ambassador Andrew Young, to question why the government would not provide similar vouchers to low-income parents to send their children to the best schools available.[171]

Developments in 2001

Governor Roy Barnes, a Democrat, proposed strong education reform initiatives for the legislative session. This included a request for funding school construction, a new emphasis on smaller neighborhood schools, more funding for national teacher certification, and new alternative certification opportunities for those who desire a career change into teaching.[172] His proposals were tied closely to his budget proposal, which combines tax cuts with a major infusion of state spending on education.[173]

Interest groups criticized his proposals, especially closing state teaching schools if graduates perform poorly on teacher-licensing exams. The proposal demanded that at least 80 percent of graduates of every ethnic and racial group earn passing scores on the PRAXIS II test. Critics worry that the policy would reduce the number of minority teachers entering the profession at a time when the state is suffering a teacher shortage (African–American students tend to score lower on the licensing tests than do their white peers).[174] Barnes responded to criticism by noting that: "Everybody wants to go to heaven but nobody wants to get there. Everybody wants to reform education but nobody wants to say you have to have higher academic standards."[175]

Georgia public schools received an "A" for progress and a "B" for overall test scores from state School Superintendent Linda Schrenko when she released her annual report card in January. "If Georgia were a student, it would be eligible for a HOPE scholarship," said Schrenko. She added that she would continue releasing the

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[168] James Salzer, "Lawyer Criticizes State's Plan for Charter School Start-ups," *The Atlanta Journal-Constitution*, October 13, 2000.

[169] Patti Ghezzi, "DeKalb to Study Theme, Magnet, Charter Schools," *The Atlanta Journal-Constitution*, November 15, 2000.

[170] Alan Judd, "Barnes Finds Charter Funding Idea Attractive," *The Atlanta Journal-Constitution*, October 4, 2000.

[171] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[172] Wayne C. Wehunt, "Barnes Resumes Education Focus," *The Columbus Ledger-Inquirer*, January 1, 2001.

[173] Dave Williams, "Barnes Touts Tax Cut, Funds for Education," *The Jacksonville Times-Union*, January 3, 2001.

[174] Julie Blair, "Georgia Proposals Would Put Education Schools to the Test," *Education Week*, December 13, 2000.

[175] Wehunt, "Barnes Resumes Education Focus."

report card even though the governor had set up a new student information office to collect and report school data. The governor's grading system will not be up and running for a few years. The report card in 2001 indicated improvement in some test scores and a fairly flat drop-out rate.[176]

In a report to the state Board of Education on March 21, 2001, the Office of Charter School Compliance reported that 15 public schools were in the beginning stages of exploring the charter school concept, 19 schools had received planning grants, eight schools were in the process of submitting charter petitions to their local board of education, four petitions had been denied by local boards, three schools had received local board approval and were awaiting action by the state Board of Education, and three schools whose applications had been denied by local boards were applying for a state charter under new rules adopted by the state Board.[177] Two of these were approved in June 2001.

As of January 31, 2001, 38 charter schools were in operation, and another seven were waiting to open.[178] Since the law was changed in 1998 to allow parents, teachers, and others to start new charter schools, only five had been approved[179] until June 2001, when the state board approved two new charters—the Odyssey Charter School in Coweta County and the Charter Conservatory for Liberal Arts and Technology in Bullock County.[180]

Though the state can override local school boards that turn down innovative charter applications, the state cannot legally force the boards to help pay for new schools they did not approve. Start-ups approved by the state could get local funding if district voters approved a referendum to do so, something charter advocates say is unlikely.

Though Georgia law requires local school districts to treat charter schools "no less favorably than other local school districts" when it comes to instructional and administrative funding, DeKalb County's Stone Mountain Charter School reports that local officials have provided some 35 percent fewer funds than other county middle schools have received. Although the charter contract calls for receiving the full per-pupil expenditure and appropriate local and federal funds, the school is forced to rely on credit. Supporters of charters claim that this shows that local school districts can make it difficult for charter schools to survive.[181]

Position of the Governor / Composition of the State Legislature

Governor Roy Barnes, a Democrat, has indicated that all education reform options will be considered. The elimination of teacher tenure has been a cornerstone of his education reform plan, and he emphasized limiting social promotion in 2001. He has stated that he would promote vouchers if the legislature does not end teacher tenure. He announced recently that he would like to see 100 charter schools operating in the state by the time he leaves office. He proposed that the state University System become more involved in K–12 education by starting charter schools in their areas of expertise.[182]

Both houses of the legislature are controlled by Democrats.

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[176] James Salzer, "Georgia Schools Get an 'A' for Progress from Schrenko," *The Atlanta Journal-Constitution*, January 19, 2001.

[177] Information provided by Nancy Verber of the Georgia Department of Education, May 2001.

[178] Verber, e-mail correspondence.

[179] James Salzer, "Law Puts Strain on Charter Start-Ups," *The Atlanta Journal-Constitution*, April 12, 2001.

[180] Center for Education Reform Newswire, June 19, 2001; see *www.edreform.com*.

[181] Center for Education Reform Newswire, May 22, 2001; see *www.edreform.com*.

[182] James Salzer, "Barnes Urges Creation of More Charter Schools," *The Atlanta Journal-Constitution*, May 31, 2000.

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HAWAII

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1994
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 6
  Number of students enrolled (fall 2000): 2,370
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 50th out of 50 states

K-12 Public Schools and Students (2000-2001)

- Public school enrollment: 182,328
- Number of schools (1998-1999): 253
- Current expenditures: $1,197,887,000
- Current per-pupil expenditure: $6,570
- Amount of revenue from the federal government: 10.4%
- Evaluation of school performance: Report card

K-12 Public School Teachers (2000-2001)

- Number of teachers: 11,217
- Average salary: $41,980
- Students enrolled per teacher: 16.3
- Leading teachers union: NEA

K-12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Hawaii Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	3% (6%)	1% (2%)	2% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	14% (23%)	18% (28%)	14% (18%)	14% (19%)	14% (24%)
Basic	(31%)	28% (31%)	41% (41%)	37% (42%)	35% (38%)	27% (33%)
Below Basic	(37%)	55% (39%)	40% (28%)	47% (38%)	49% (39%)	58% (40%)

- SAT weighted rank (2000): 13th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Though Governor Benjamin Cayetano, a Democrat, supports public school choice and charter school options, under his tenure the state has moved slowly toward giving children an opportunity to attend a better school. In 1994, the Hawaii legislature passed a charter school bill to grant four-year charters to 25 public schools statewide. Under pressure from the state Board of Education, the legislature tried to avoid passing "charter school" legislation, so the bill refers to the charter schools as "student-centered" schools.[183] By 1998, the state had opened only two charter schools, which served 565 students.

In 1999, the legislature replaced the "student-centered" law with a bill to allow "New Century" charter schools, designating the two existing charter schools by this new name. The legislation made it possible for programs or schools within schools to apply for the charters.[184] To qualify, each charter applicant must submit a detailed implementation plan. Four new schools opened as charter schools in fall 2000 under this new state law.

A tuition tax credit bill was introduced in the Senate Education Committee in 1999, but was defeated.[185] H.B. 2702 would have authorized corporate income tax credits for contributions to organizations that pay private school tuition.[186]

New legislation was enacted in 1999 to create a charter review board, consisting of four representatives from the Board of Education, two charter advocates, and one representative from the superintendent of education's office. The measure will take effect in July 2001.[187]

Until recently, Hawaii teachers had been working without a contract. In January 2000, Governor Cayetano made an unusual offer to the Hawaii State Teachers Association. He offered to give the teachers a straight dollar amount increase ($1,608 in 2001 and $2,093 in 2002) instead of the usual percentage increase in salary. This represented a raise of about 12 percent for new teachers and between 2 percent and 3 percent for teachers at the top of the pay scale. The teachers union, however, rejected the offer. The governor's subsequent proposal offered no pay raises and included a proviso with elements of a performance-based system.[188]

Developments in 2001

In late April 2001, public school teachers returned to their classrooms, ending a 19-day strike that shut down the state education system from kindergarten through graduate school. Teachers had bargained with the state for sizable pay raises and bonuses, ratifying a $98.1 million contract. The compromise agreement included a 20 percent across-the-board pay raise for teachers over the next two years. Teachers will also receive one-time "retention bonuses" for work they had completed over the past two years.[189]

Three choice bills were introduced in the 2001 legislature.

1. H.B. 1634 and S. 1290 proposed a constitutional amendment to allow school vouchers. Both bills died in committee.
2. H.B. 1678 and its companion, S. 512, proposed vouchers for students with disabilities to obtain services from private organizations. The legislation stems from a court decree that the state's services to special education students is inadequate. The bill died in the Senate.
3. H.B. 802 proposed a dollar-for-dollar income tax credit for contributions to scholarship-funding organizations. The bill died in committee.[190]

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[183] Information provided by the state Department of Education, May 14, 2001.

[184] *Ibid.*

[185] The Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[186] See National School Board Association at *www.nsba.org/novouchers*.

[187] The Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[188] Education Intelligence Agency, *Communiqué*, October 30, 2000.

[189] Julie Blair, "Teachers Return to Classroom as Strike Ends in Hawaii," *Education Week*, May 2, 2001.

[190] See National School Board Association at *www.nsba.org/novouchers*.

Position of the Governor / Composition of the State Legislature

Governor Benjamin J. Cayetano, a Democrat, supports public school choice and the current charter school system but opposes voucher programs that would shift the cost of private education to the taxpayers. Both houses of the legislature are controlled by Democrats.

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U.S. Charter Schools Organization
Web site: www.uscharterschools.org

IDAHO

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1998
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 9
  Number of students enrolled (fall 2000): 1,028
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 12th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 245,830
- Number of schools (1998–1999): 649 schools
- Current expenditures: $1,393,200,000
- Current per-pupil expenditure: $5,667
- Amount of revenue from the federal government: 7.2%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 13,846
- Average salary: $36,375
- Students enrolled per teacher: 17.6
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Idaho Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 14th out of 26 states

Background

Idaho makes a variety of educational options available to students and their parents. Within certain limitations, such as enrollment capacity, students may choose the public school they wish to attend within a district. State funds follow the child to the school of choice.

Idaho became the 30th state to enact a charter school law on March 11, 1998. The measure authorizes chartering up to 12 new schools per year for the first five years, with no limitations thereafter. It prohibits the permanent hiring of non-certified teachers, contracting operations to a for-profit company, and converting private schools into charter schools. Existing public schools may convert to charter schools with the approval of the local school board, 60 percent of the parents, and 60 percent of the teachers. The schools are funded directly by the Idaho Department of Education, and charter applicants have the right to appeal a denial to the State Superintendent of Public Instruction.[191] Eight charter schools were approved under the new law to open in the fall of 1999.

The House Revenue and Taxation Committee defeated a $1,500 private school tuition tax credit proposal in February 1998. A 1999 bill proposing a school choice tax credit pilot program was introduced in the legislature but did not pass. That tax credit was modeled after the Universal Tax Credit plan created by the Michigan-based Mackinac Center for Public Policy. To be phased in over a six-year period, that plan promotes a provision that would allow:

- Individuals or corporations to take a dollar-for-dollar tax credit for donations to children not enrolled in public schools;
- Donations to go directly to the parents, who could use the funds to pay tuition costs;
- Caps on annual individual donations of $250 through 2001, $500 through 2003, $750 in 2004, and $1,000 annually thereafter;
- Caps on annual corporate donations of $1,000 through 2001, $2,500 through 2003, $5,000 in 2004, and $10,000 each year thereafter;
- A maximum tax credit of 40 percent of the donor's overall income tax liability;
- Donations from an unlimited number of donors for each child, provided that the total does not exceed the per-child cap of 50 percent of the cost of educating a child in the public school system (65 percent for special needs students);
- School districts to provide up to 50 percent of the cost per-pupil in the public school system (65 percent for special needs children) for a child transferring out of the public school system.[192]

Developments in 2001

The Idaho legislature considered H.B. 311, a bill to authorize tax credits to parents or guardians of students who attend or enroll in private schools. It was passed by a House committee but time for consideration expired before the Senate acted. The bill is expected to pass next session.[193]

Position of the Governor / Composition of the State Legislature

Governor Dirk Kempthorne, a Republican, has expressed interest in school choice. Both houses of the legislature are controlled by Republicans.

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[191] Correspondence from Jim Spady, Co-Director, Education Excellence Coalition, Seattle, March 19, 1998.

[192] Draft of Idaho school choice tax credit pilot program (RSMLI054), provided by Idahoans for Tax Reform.

[193] E-mail correspondence from Laird Maxwell, Chairman of Idahoans for Tax Reform, April 10, 2001.

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ILLINOIS

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1996, amended 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 21
  Number of students enrolled (fall 2000): 5,107
- Publicly funded private school choice: Yes (educational expense tax credits)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 24th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 2,070,778
- Number of schools (1998–1999): 4,251
- Current expenditures: $14,524,460,000
- Current per-pupil expenditure: $7,014
- Amount of revenue from the federal government: 7.1%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 128,642
- Average salary: $48,053
- Students enrolled per teacher: 16.1
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Illinois Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 9th out of 26 states

Background

Illinois' effort to provide parents with some educational choice goes back to a 1988 state law decentralizing public schools in Chicago and authorizing citywide public school choice beginning in 1991–1992. Implementation of the law, however, was delayed indefinitely. In 1997, Illinois began cracking down on low-income parents who "fraudulently" register their children in public schools in affluent neighboring school districts. Under a law passed in January 1997, these parents face a 30-day jail term and a $500 fine.

In 1995, following a failed attempt to devolve power over education and funding to local school councils, the legislature placed Chicago Mayor Richard M. Daley in direct control of the city's 413,000-student system. Daley appointed his budget director, Paul Vallas, as CEO of the system to oversee reform. Vallas brought the city's education finances under control and eliminated a $1.3 billion deficit, privatizing the school maintenance division.[194]

In 1997, Vallas gained nationwide fame for his policy of "no social promotions." He also made principals more accountable, put schools on probation, and laid off a number of administrative employees. He identified seven persistently failing high schools as targets for "reconstitution," making their employees reapply for their positions.[195]

Charter schools became an option in 1996, when the legislature passed a bill allowing for the creation of up to 45 schools: 15 in Chicago, 15 in Chicago's suburbs, and 15 in the rest of the state. Any not-for-profit organization, including a school district, can sponsor a charter school if the charter has been approved by the local or state Board of Education. The first charter school, the Peoria Alternative Charter School, opened that year. Sponsored by the Peoria Board of Education, it serves students with behavioral difficulties. Apart from the efforts in Chicago and Peoria, local school boards have uniformly rejected charter school applications. In December 1997, state legislators strengthened the charter school law to allow charters rejected at the local level to be submitted to the state Board of Education for approval, but the legislature also rejected efforts to expand choice. For example, state Representatives Peter Roskam (R) and Roger McAuliffe (R) introduced a bill to provide means-tested vouchers for children in a selected area of Chicago, but it died in the House Rules Committee.

Charter schools are gaining in popularity. A random poll in 1998 of 3,000 Chicago residents conducted by the Metro Chicago Information Center found support among 81 percent of respondents and 75 percent of Cook County residents. Moreover, 62 percent of respondents supported using tax money to send low-income students to private school, and 55 percent supported using vouchers for religious private schools. When asked about non–means-tested vouchers, 49 percent of Chicago residents supported the idea.[196]

A tax credit bill sponsored by Representative Kevin McCarthy (D) and Senator Dan Cronin (R) would allow parents with at least $250 in K–12 school expenses to claim one-fourth of those expenses (to a maximum of $500 per family). Covered items include tuition, books, and lab fees for classes at public, private, or parochial schools. The legislature approved the bill, but then-Governor Jim Edgar, a Republican, vetoed it on January 2, 1998.

A two-year study released in 1998 by the Special Task Force on Catholic Schools found that the Archdiocese of Chicago, which educates many poor urban children who are not Catholic,[197] would have to close or downsize some of its 270 elementary schools in Cook and Lake Counties within a year unless it found substantial new funding. The Archdiocese hoped to, among other things, find funds to increase teacher salaries to 75 percent of market value (Catholic school teachers make about one-half of what their public school counterparts are paid). The Archdiocese had called on Governor George Ryan to approve a voucher or tax credit program to help offset the costs of educating children. Over 321,000 children in grades K–12 attending private schools could have benefited from this credit, including about 250,000 students in Catholic school.

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[194] Correspondence with Charter School Office of the Chicago Public Schools, November 1998.

[195] *Ibid.*

[196] Dr. Garth Taylor, "Charter Schools, Educational Vouchers, and the Fairness of Public School Funding," Metro Chicago Information Center, March 1998, available at *www.mcic.org*.

[197] Steve Kloehn and Rick Pearson, "Catholic School Alarm," *The Chicago Tribune*, December 16, 1998.

In 1999, the state House and Senate approved the Educational Expenses Tax Credit plan (S.B. 1075), which was also introduced by Representative McCarthy. This bill would provide a tax credit of up to 25 percent of education-related expenses (including tuition, book fees, lab fees) that exceed $250, up to a maximum of $500 per family, at any school of choice. The bill did not contain a refundability provision, which would have made the credit available as a tax refund to low-income families who pay no state taxes. A parent would need to spend $2,250 to qualify for the maximum credit. If every family in Illinois private schools claimed the tax credit, the actual savings to Illinois' families would be between $50 million and $60 million. Governor Ryan signed the tax credit school bill into law on June 3, 1999, at St. Stanislaus Kosta Catholic School in Chicago.

A telephone survey of over 1,000 Illinois residents, taken shortly before the Illinois General Assembly voted to provide the education expense tax relief for parents, showed that three out of four respondents (77 percent) believed parents and students should be able to choose the child's school. More than half (56 percent) agreed that per-student tax dollars for education should follow the student to whichever school the parent and student choose, with only 31 percent saying that tax money should go only to public schools authorized by the school board. The poll was commissioned by the Glen Ellyn-based Illinois Family Institute.

Regardless of the political and popular support for the tax credit, the local chapter of the American Federation of Teachers filed a lawsuit in July in the circuit court of rural Franklin County, Illinois, alleging the law violates the state prohibition against the establishment of religion. On December 7, 1999, Judge Loren P. Lewis dismissed the suit. Choice opponents appealed the decision to the Appellate Court of the Fifth Judicial District.

A second lawsuit was filed in Sangamon County Circuit Court by a coalition of nine groups led by the Illinois Education Association, also challenging the program on religious establishment and state constitutional grounds. On April 21, 2000, the circuit court judge dismissed the second suit, clearing a pathway for school choice. In doing so, the judge emphasized that the tax credit allows Illinois parents to keep more of their own money to spend on their own children's education and does not involve the expenditure of public money.[198] Choice opponents have appealed this decision to the Appellate Court of the Fourth Judicial District.

A 1999 survey by the Metro Chicago Information Center found that 62 percent of respondents in the six-county area supported vouchers for low-income children to use to attend private schools, and 55 percent supported vouchers for use at religious schools.[199]

Nevertheless, a voucher plan (S.B. 329) introduced by Senate Education Committee Chairman Dan Cronin in 1999 was voted down. The bill would have provided "Educational Opportunity Grants" of $2,000 to $3,000 for students in Chicago, East St. Louis, Joliet, Peoria, and Rockford to use at a school of choice, including religious schools.

Several charter school bills were introduced in the 2000 legislature: H.B. 2975 to expand the number of Chicago area charters from 15 to 20 and reduce charters downstate by five; H.B. 2853 to eliminate the state Board of Education's power to reverse local charter school denial upon appeal; and S.B. 508 to establish a state charter school chartering board that would replace the state Board of Education.[200] All three bills were never voted on.[201]

Illinois charter schools remain so popular that half of the schools have more applicants than seats, according to a state charter school annual report released in December 2000. The oldest charter schools are now in their fourth year of a five-year charter, which requires specific results in exchange for freedom from a battery of bureaucratic regulations. The test score results for the schools thus far have been mixed, with some schools doing better than similar schools in their district and others not doing as well. The annual status report cautions that it is too soon to judge charter schools because most have not finished their five-year term.[202]

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[198] E-mail correspondence from Maureen Blum, Institute for Justice, April 21, 2000.

[199] E-mail correspondence from George Clowes, Heartland Institute, December 7, 1999.

[200] Paul Seibert, ed., "The Illinois Charter School Facs," January 31, 2000; facsimile available from author upon request.

[201] See Illinois legislature's Web site at *www.legis.state.il.us*.

The Illinois legislature approved H.B. 2917 in April 2000 to facilitate the creation of alternative schools for non-traditional or troubled students.[203]

Although Chicago public schools have improved since being labeled the worst in the nation in the mid-1980s, a new study warns that elementary reading scores are flattening and gains are uneven among schools citywide. Predominantly African–American grammar schools show the lowest rates of gain, Latino schools nearly match district rates of improvement, and white and mixed-ethnicity schools show the biggest improvements. Though school reforms have resulted in an overall higher level of achievement for the city's largely low-income and minority student population, little more than a third of the children read at grade level and about 45 percent are at grade level in math.[204]

Chicago officials made it clear in 2000 that they plan to add three new charter schools in 2001, bringing the total number in the city to 16. Three of the 12 applicants for the 2000–2001 school year for two potential charters are so qualified that then–school chief Paul Vallas gave his staff 60 days to figure out a way to put all three finalists in business. Although the system works under a legislative restraint limiting the city to 15 schools, 11 members of the Chicago Board of Education receptive to charter schools approved in 1997 a unique multi-campus charter called the Chicago Charter School Foundation. It now oversees the operation of four campuses that serve 2,450 predominantly low-income children.[205]

Chicago first became a "partner city" of the Children's Scholarship Fund (CSF) in 1998. The CSF matches funds raised by residents to fund approximately 2,500 private scholarships for low-income students to attend a school of choice. The minimum four-year scholarships have been awarded to children entering kindergarten through 8th grade.[206] In 1999, the first recipients of the 2,500 scholarships were randomly selected in a computer-generated lottery from 59,186 applicants.[207]

Developments in 2001

Two additional public charter schools opened thus far this year, bringing the total children served to 6,500 in 19 schools.[208]

Two choice bills were introduced in the 2001 legislature.

1. H.B. 3550, the Educational Choice Act, proposed vouchers for educational expenses. The bill stalled in committee.
2. An amendment to the existing tax credit law was also proposed. H.B. 1010 would authorize accountability measures on the private schools for which a tax is credit is claimed.[209]

In January, Chicago Mayor Richard Daley proposed that Chicago's parents should get vouchers to defray the cost of after-school programs, which bolster education and occupy students during high-risk hours. Daley's voucher proposal, far more restricted than one he had proposed 10 years earlier, would confine the $25, $50, or $100 vouchers to the fees parents pay for such things as ballet lessons, tutoring, and sports programs.[210]

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202. Rosalind Rossi, "Charter Schools Popular, Test Results 'Mixed,'" *The Chicago Sun-Times*, December 15, 2000.

203. Seibert, "The Illinois Charter School Facs," April 21, 2000.

204. See *www.brook.edu/gs/brown/bc_report/2000/Chicago.PDF*; see also G. Alfred Hess, "Changes in Student Achievement in Illinois and Chicago, 1990–2000," Center for Urban School Policy, Northwestern University, September 2000.

205. Rosalind Rossi, "Chicago to Open 3 More Charter Schools," *The Chicago Sun-Times*, December 21, 2000.

206. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

207. *Ibid.*

208. Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 12 (2001).

209. See the National School Board Association at *www.nsba.org/novouchers*.

210. Fran Spielman, "Daley Touts Vouchers for After-School Activities," *The Chicago Sun-Times*, January 18, 2001.

On March 2, 2001, then–Chicago schools chief Paul Vallas testified before Congress on the issue of "Improving Academic Achievement with Freedom and Accountability." He described the effort in Chicago to provide school choice options, with elementary neighborhood-based magnet school clusters that focus on math and science, fine arts and performing arts, and foreign languages as well as an international scholars program. Other options include classical and gifted centers and a middle-school international baccalaureate (IB) program. Students may continue the specialty in high school. High school choices include 10 math and science academies, 12 language academies, 6 fine arts and performing arts programs, 15 schools with IB programs, 6 regional magnets, 12 career academy schools, and 2 military academy schools. He reported that more than half of Chicago's high schools offer advanced placement courses, with a 28 percent increase in the success rate—more than double the 13 percent state and national success rate.[211]

Chicago's charter schools, which include one operated by Edison Schools and another to be run by KIPP Academy,[212] have strong accountability guidelines. Vallas testified that "Charters are available to both new schools and existing parochial schools to ensure the viability of our private school options." And he has instituted a voucher plan to enable high school students take college credits.[213]

The Appellate Court for the Fourth Judicial District unanimously upheld the constitutionality of the state's 1999 tax credit law on April 21, 2001, reaffirming a February 2000 ruling in Sangamon County Circuit Court. Writing for the three-judge panel, Justice Rita Garman said: "By creating the Credit, the legislature has recognized that parents who send their children to private schools often do so at considerable expense to themselves and that they provide a benefit to the State treasury by relieving the State and local taxpayers of the expense of educating their children."[214]

On April 4, 2001, the Appellate Court of Illinois for the Fifth Judicial District also unanimously upheld the constitutionality of the Illinois educational expenses tax credit law. The ruling of the three-judge panel affirms a December 1999 ruling by the Franklin County Circuit Court that the tax credit is constitutional.[215]

Two potentially good charter school bills were voted down in early June by the legislature. S.B. 78 would have raised the charter school cap from 15 to 30 for Chicago, and S.B. 36 would have increased the amount of start-up loans and grants to charters.[216]

Position of the Governor / Composition of the State Legislature

Governor George H. Ryan, a Republican, supports tax credits for educational expenses, but does not support school vouchers. The Illinois House is controlled by Democrats; the Senate by Republicans.

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[211] See *edworkforce.house.gov/hearings/107th/fc/acachfree3201/vallas.htm.*

[212] For a brief introduction to KIPP Academies, see Samuel Casey Carter, *No Excuses: Lessons from 21 High-Performing, High-Poverty* Schools (Washington, D.C.: The Heritage Foundation, 2000), pp. 85–86, 93–95.

[213] See *edworkforce.house.gov/hearings/107th/fc/acachfree3201/vallas.htm.*

[214] E-mail correspondence from George Clowes, Heartland Institute, April 18, 2001.

[215] E-mail correspondence from Maureen Blum, Institute for Justice, April 4, 2001.

[216] Center for Education Reform Newswire, June 5, 2001; see *www.edreform.com.*

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INDIANA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Intradistrict/Mandatory and Interdistrict/Voluntary)
- Charter school law: Established 2001
  Strength of law: Strong
  Number of charter schools in operation: 0
  Number of students enrolled: 0
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 25th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 992,946
- Number of schools (1998–1999): 1,886
- Current expenditures: $7,068,104,000
- Current per-pupil expenditure: $7,118
- Amount of revenue from the federal government: 4.6%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 58,747
- Average salary: $43,055
- Students enrolled per teacher: 16.9
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Indiana Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	2% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	22% (18%)	21% (19%)	28% (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	48% (42%)	44% (38%)	35% (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	38% (38%)	32% (39%)	35% (40%)

- SAT weighted rank (2000): 17th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Indiana recently became the 37th state with the District of Columbia to enact a charter school law. Under this new law, public school boards, universities and the mayor of Indianapolis have the power to sponsor charter schools.[217] There is no limit on the number of charters approved. The mayor of Indianapolis can approve five charters a year. All charter teachers must be certified, but an alternative route is available through the "transition to teaching" program.[218]

Indiana already provides transportation to private school students if their schools are on the public school bus routes. Low-income children attending private and parochial schools are also entitled to state financial support for textbooks.

Since 1991, the Educational CHOICE Charitable Trust has helped low-income Indianapolis children attend private school by awarding scholarships for up to half of the cost of tuition. Parental response has been overwhelmingly positive. The Trust helped 2,600 low-income Indianapolis children attend area private or parochial schools just during the 1999–2000 school year.

In 1998, Indianapolis was named a "partner city" of the Children's Scholarship Fund (CSF), a private foundation that matches funds raised by city residents to award approximately 500 scholarships for low-income students to attend a school of choice. The scholarships are awarded for at least four years to children entering kindergarten through 8th grade.[219] In April 1999, the CSF announced the first 500 recipients, who were selected randomly in a computer-generated lottery from 4,637 applicants. The Educational CHOICE Charitable Trust will administer the scholarships.[220]

Schools Superintendent Kim Pryzbylski founded the Northwest Indiana Children's Scholarship Fund in 2000 to enable up to 100 elementary school students to attend 34 parochial schools in Gary.

A report by the Hudson Institute issued in 2000 revealed that, despite the $7.7 billion invested each school year by Indiana taxpayers in K–12 education, the state education system remains on shaky ground. Extensive testing data from federal, state, and private sources indicated that Indiana's students, in every demographic category, underperformed their peers in most other states. The shortcomings were most severe among students from middle- to upper-income families. The stark findings showed that 40 percent of 3rd graders, 52 percent of 6th graders, 44 percent of 8th graders, and 43 percent of 10th graders failed to demonstrate mastery of subject matter on the state's standardized test (ISTEP+) in 1999.

The study also found that no external factor—such as class size, teacher salary or experience, or geographic location—adequately explained the variations in school and student performance. Rather, Hudson researchers concluded, the problems were embedded in the public education system, and solving them would require changing that system.[221]

Developments in 2001

In March 2001, the Senate and the House passed two charter school bills. H.B. 2102 and S.B. 165 call for alternative teacher licensing, allowing for but not mandating collective bargaining, and ensuring multiple chartering authority. Governor Frank O'Bannon, a Democrat, signed the state's charter school bill (S.B. 165) on April 19. The legislation authorizes unlimited numbers of new charter schools as well as unlimited conversions of existing public schools to charters. The bill also authorizes public universities and school districts to approve new charter applications. It calls for 100 percent teacher certification and mandated collective bargaining, thereby increasing government regulation. And it allows the mayor of Indianapolis to approve applications from teachers and parents who want to start charter schools in the city.[222]

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[217] Staff Report, "O'Bannon Signs Bill for State to Start Charter Schools," *The Indianapolis Star*, May 3, 2001.

[218] See Center for Education Reform Web site at *www.edreform.com*.

[219] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[220] *Ibid.*

[221] Michael Garber, Justin Heet, and William Styring III, "Indiana Education: On Shaky Ground," Hudson Institute, Indianapolis, Indiana, 1999.

[222] E-mail correspondence from Jim Spady of the Education Excellence Coalition, April 19, 2001.

Local school boards that opposed the charter school law are moving very slowly in drafting the application process for their districts. The Indianapolis School Board is the only board in its county to begin talking about the matter, and is only now drafting a resolution to screen applicants. Since Indianapolis Mayor Bart Peterson is empowered to authorize charter schools on his own, potential organizers are bypassing the school board in Indianapolis and going directly to the mayor's office. Charter school organizers in the state can also approach public universities, where the climate may be more conducive.[223]

Position of the Governor / Composition of the State Legislature

Governor Frank O'Bannon, a Democrat, supports public charter schools and public school choice. The Indiana House is controlled by Democrats; the Senate is controlled by Republicans.

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223. Center for Education Reform Newswire, July 3, 2001; see *www.edreform.com*.

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IOWA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: Yes (educational expense tax credits)
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 14th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 495,927
- Number of schools (1998–1999): 1,538
- Current expenditures: $3,100,070,000
- Current per-pupil expenditure: $6,251
- Amount of revenue from the federal government: 4.1%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 34,431
- Average salary: $36,479
- Students enrolled per teacher: 14.4
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Iowa Student Performance	**(National) 2000 Reading**	**State (National) 1998 Reading**		**State (National) 1996 Math**		**State (National) 1996 Science**
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	7% (6%)	N/A (2%)	1% (2%)	4% (4%)	3% (3%)
Proficient	(24%)	28% (23%)	N/A (28%)	21% (18%)	27% (19%)	33% (24%)
Basic	(31%)	35% (31%)	N/A (41%)	52% (42%)	47% (38%)	35% (33%)
Below Basic	(37%)	30% (39%)	N/A (28%)	26% (38%)	22% (39%)	29% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 2nd out of 26 states

Background

Although Iowa has not yet enacted a charter school law, it does offer statewide public school choice and a tax credit for educational expenses.

Iowa offers a statewide interdistrict open enrollment program. During the 1998–1999 school year, 16,269 students participated in this program.[224] Transportation is provided for students attending non-public schools if their homes and schools are located on the regular public school bus routes; if not, parents can be reimbursed for transportation costs.

Iowa's voucher payment for school transportation costs has survived several legal challenges. School districts may deny students an interdistrict transfer if it interferes with racial desegregation efforts. The limits of this restriction were tested in Des Moines in December 1992 when the school board refused to grant transfers for 122 white students for the following school year while granting requests from six minority students. The board's reasoning: During the first two years of interdistrict choice, 402 of the 413 students who chose to transfer from Des Moines to surrounding suburban districts were white; only 11 were members of minority groups. Of the 32,000 students in the Des Moines school district, only 20 percent were members of minority groups.

Parents appealed the decision, which was overturned because the school board had no written policy on which to base its denial of the student transfer requests. After this decision, the school board imposed explicit restrictions on such transfers, including a policy establishing strict racial ratios for school districts. The board has used the new restrictions to deny more requests for transfers.

The state does permit post-secondary enrollment in college courses for high school juniors and seniors.

In 1997, then-Governor Terry E. Branstad, a Republican, included a provision in his budget to more than double (from $100 to $250) the state's income tax credit for private school tuition costs. It created a tuition credit equal to 25 percent of the first $1,000 that the taxpayer has paid for each dependent in grades K–12.[225] The provision was approved by the Senate Education Committee and passed by the Senate Ways and Means Committee. In the final days of the legislative session, a group of senators attached an amendment to allow tax credits for fees at public as well as non-public schools, increasing the cost of this legislation by over $3 million.[226] In 1998, the governor signed the new tax credit bill (House File 2513), which expanded the definition of allowable tuition and textbook expenses to include costs associated with extracurricular activities like sporting events and speech activities at a school of choice.

On January 11, 1999, House Speaker Ron Corbett (R–52) introduced a bill to increase the state's education tax credit from 29 percent to a maximum of 50 percent of the first $1,000 of expenses. This increase could have cost the state $8 million to fund.[227] It was defeated.

Des Moines school district records show that about 300 students were promoted to high school in 2000 despite having failed four courses in the 8th grade; two-thirds of these students had four or more failing grades in core courses such as reading, language arts, math, science, and social studies.[228] Sixty to 70 percent of its students continue to perform below proficient on the NAEP tests in reading and math.

The Iowa State Education Association does not have to make public the details of its finances and payroll. In the summer of 2000, a motion was introduced for a vote of the union's board of directors that would have required the ISEA to "provide an itemization of salary and benefit information for all ISEA professional staff and employees," but the measure was quickly tabled by the board. Thus, no one other than a member of the ISEA board or local chapter president has access to the information, and even they have to request the information specifically.[229]

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[224] Update from Jim Tyson, Iowa Department of Education.

[225] Phone conversation with Jason Gross of Iowa Citizens for a Sound Economy, July 5, 2001.

[226] The Friedman–Blum *Educational Freedom Report*, No. 54, December 19, 1997.

[227] The Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[228] Kathy Bolten, "Students Fail Classes but Move Up," *The Des Moines Register*, October 1, 2000.

Developments in 2001

Iowa could become the 38th state with the District of Columbia to enact a charter school law, as legislation is moving through the legislature for the first time. S.F. 348, a bill to establish pilot charter schools and charter school districts, passed the Senate on March 27, 2001.[230]

A policy approved in March 2001 in Ankeny bans private school or home school students ages 16 or older from participating in any of the district's academic or sports programs. The new policy will keep school athletes who attend a parochial school from competing for Ankeny High School next year. Ankeny school board president Danny Presnell wants to add a clause that would allow those students and athletes now in high school to finish their careers in Ankeny.[231]

Lawmakers in Iowa discarded their traditional teacher-compensation system and voted in May 2001 to replace it with one that would pay educators based on their performance in the classroom and student achievement, rather than on the number of years spent teaching.

The $40 million package, believed to be the first of its kind in the nation, not only would radically alter the statewide salary structure, but also articulate standards for educators, reinvent the evaluation system, and outline a teacher-bonus plan. It would allocate cash rewards for teachers and others employed in schools whose pupils show improvement on assessments. Although the plan was opposed by the Iowa State Education Association and many Democrats, Governor Tom Vilsack, a Democrat, signed the plan into law, along with the state's $2 billion K–12 education budget for the coming fiscal year.[232]

Position of the Governor / Composition of the State Legislature

Governor Tom Vilsack, a Democrat, does not support school choice. Both houses of the legislature are controlled by Republicans.

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229. Education Intelligence Agency, *Communiqué*, October 30, 2000.

230. See *www.state.ia.us/educate/programs/ootd/final_sum01.html*.

231. Dave DeValois, "Policy Bans Private Students," *The Des Moines Register*, March 23, 2001.

232. Julie Blair, "Iowa Approves Performance Pay for Its Teachers," *Education Week*, May 16, 2001.

KANSAS

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1994
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 23
  Number of students enrolled in charter schools (fall 2000): 1,788
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 30th out of 50 states

K-12 Public Schools and Students (2000-2001)

- Public school enrollment: 473,464
- Number of schools (1998-1999): 1,437
- Current expenditures: $3,117,306,000
- Current per-pupil expenditure: $6,584
- Amount of revenue from the federal government: 6.3%
- Evaluation of school performance: Report card and ratings

K-12 Public School Teachers (2000-2001)

- Number of teachers: 33,019
- Average salary: $39,432
- Students enrolled per teacher: 14.3
- Leading teachers union: NEA

K-12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Kansas Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6%(6%)	2% (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	28% (23%)	33% (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	37% (31%)	46% (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	29% (39%)	19% (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 6th out of 26 states

Background

In 1994, Kansas enacted a charter school law that allowed for the creation of 15 charters statewide, with each district allowed no more than two charters at a given time. Under current law, any group not affiliated with a religious organization may apply for a charter by submitting a petition to the local school board. Once the local board approves the charter application, it is sent to the state Board of Education for approval. The charter school then may apply to the local board for a waiver from district rules and regulations. If the waivers are approved, the school may apply to the state board for additional waivers from state regulations.

Because charter schools remain a legal entity of the local school district, the charter school movement is essentially controlled by the public school system. As of the fall 1999 school year, the number of charter schools in Kansas had grown to the maximum of 15. Efforts to strengthen the law have been unsuccessful.

A voucher initiative introduced in 1994 by then-state Representative Kay O'Connor (R–14) died in committee. In 1995, Representative O'Connor and 10 co-sponsors introduced a voucher initiative known as the Kansas G.I. Bill for Kids. A companion bill was introduced by state Senators Phil Martin (D–13) and Michael Harris (R–27). These bills would have established school choice in the state by phasing in, over six years, the number of families eligible to participate in the voucher program and the amount of the vouchers. The House bill (H.B. 2217) passed out of committee with no recommendations, but was defeated on the floor by a vote of 23 to 98. The Senate did not act on its version.

In 1996, O'Connor reintroduced a bill known as the Parents in Control of Education Act, an improved version of the Kansas G.I. Bill for Kids. No action was taken on this bill. In 1997, O'Connor introduced the Parents in Control of Education Act to establish a statewide K–12 choice program phased in over six years. This program would have allowed students to attend a school of choice using vouchers that for students in 9th through 12th grades would have increased to the full value of the per-pupil state allocation during the sixth year. No further action was taken on this bill.[233]

In 1999, Representative O'Connor resubmitted the Parents in Control of Education Act (H.B. 2462). In addition, a bill to establish the Kansas Educational Opportunities Certificate Pilot Program Act (H.B. 2504 and S.B. 295) was introduced to provide vouchers worth 80 percent of the base state per-pupil allocation to use for tuition costs at non-public schools.[234] The bills were defeated.

A 2000 survey commissioned by the Kansas Emporia Teacher's College and funded in part by the Kansas National Education Association (NEA) found that 60 percent of Kansans favor school vouchers. Despite these results, the Kansas NEA notified members soon after the survey's release that it does not support vouchers.[235] A similar survey in 1994 had found that 53 percent favored vouchers.

Wichita education activist Cindy Duckett launched CEO Kansas, a program that would give poor families vouchers to send their children to private school. She patterned her program after similar efforts across the country that operate under the umbrella of Children First CEO America.[236]

In June 2000, Attorney General Carla Stovall issued a non-binding legal opinion that school vouchers were unconstitutional according to the state's bill of rights and the state constitution, but not specifying the U.S. Constitution.[237]

Basehor-Linwood School District educators created a virtual school on the Internet that allows students to complete coursework within the school year at their own pace. Students must take state standardized tests that evaluate their progress. The virtual school is designed to appeal to a broad array of students and families, most of whom have chosen to home school as a response to the dissatisfaction that caused parents to leave the public school system.[238] According to newly elected state Senator Kay

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[233] The Friedman–Blum *Educational Freedom Report*, No. 54, December 19, 1997.

[234] The Friedman–Blum *Educational Freedom Report*, No. 71, May 21, 1999.

[235] Mike Antonucci, Education Intelligence Agency, e-mail newsletter received May 30, 2000.

[236] Julie Mah, "A New Twist for School Vouchers: Private Funding," *The Wichita Eagle*, May 30, 2000.

[237] Philip Brownlee, "Don't Read Vouchers Their Last Rites," *The Wichita Eagle*, June 10, 2000.

O'Connor, homeschooled children and charter school students allow more federal and state funding to be disbursed to local school districts, which helps secure approval for the virtual school. Like all charter schools in Kansas, this one is controlled by the local school district.[239]

Kansas City became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, gave the Kansas City metropolitan area a $2.5 million, four-year challenge grant to be matched by local donations. The funds would be used to give 1,250 private scholarships to low-income students to attend a school of choice. On April 22, 1999, the CSF announced the first recipients of the scholarships for students in K–8th grades, selected randomly by a computer-generated lottery from 11,531 applications.[240] Currently, 1,100 students in the Kansas City area receive tuition assistance to attend 110 different private schools.[241]

Developments in 2001

Two voucher research bills were introduced in the 2001 legislature. H.B. 2496 and S. 199, backed by state Senator Kay O'Connor and Speaker of the House Kent Glasscock (R), would allow funding for a study on the effects of vouchers on low-income students. The House Education Committee did not pass the bill out of committee. Senator O'Connor attempted a floor amendment, which failed 11–29. Senator O'Connor reintroduced the Parents in Control of Education bill (S.B. 238) on February 6, 2001. She indicated that she and an organization she works with, Parents in Control, would be more aggressive in promoting this bill.[242] The bill remains in committee and action will likely not be taken.

Position of the Governor / Composition of the State Legislature

Governor Bill Graves, a Republican, has not publicly endorsed school choice. He has indicated that he believes the merits and details of a choice program require further study. Both houses of the legislature are controlled by Republicans.

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[238] Rebecca Weiner, "Kansas Educators Turn to the Web to Create a Unique 'Virtual' School, *The New York Times*, August 16, 2000.

[239] Phone conversation with state Senator Kay O'Connor of Parents in Control, April 12, 2001.

[240] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[241] See *www.csf-kc.org/aboutus.htm*.

[242] Phone conversation with state Senator Kay O'Connor of Parents in Control, April 12, 2001.

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KENTUCKY

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 47th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 635,159
- Number of schools (1998–1999): 1,346
- Current expenditures: $4,316,362,000
- Current per-pupil expenditure: $6,796
- Amount of revenue from the federal government: 7.7%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 41,138
- Average salary: $37,234
- Students enrolled per teacher: 15.4
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Kentucky Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	6% (6%)	2% (2%)	1% (2%)	1% (4%)	2% (3%)
Proficient	(24%)	23% (23%)	27% (28%)	15% (18%)	15% (19%)	21% (24%)
Basic	(31%)	34% (31%)	45% (41%)	44% (42%)	40% (38%)	35% (33%)
Below Basic	(37%)	37% (39%)	26% (28%)	40% (38%)	44% (39%)	42% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 22nd out of 26 states

Background

Kentucky has very limited public school choice and no charter schools or other choice programs. A 1990 law gives parents limited authority to remove their children from a public school. The law was enacted after the Kentucky Supreme Court had ruled in June 1989 that the state's entire system of public education was unconstitutional because resources were not allocated equally among schools. The 1990 law, concerned mainly with school organization and accountability guidelines in dealing with this decision, permits students to withdraw from an assigned public school if state authorities deem the school a failure. Students are not allowed to choose the public school to which they will be transferred.

In response to the court's decision, the General Assembly passed a series of reform initiatives in the Kentucky Education Reform Act of 1990 (KERA). KERA was signed by then-Governor Wallace G. Wilkinson on April 11, 1990, and went into effect on July 13, 1990. It establishes high educational goals and an assessment process and accountability system, determined by the people of Kentucky, that will (1) reward schools that improve students' achievement; (2) intervene when schools are struggling to make progress; (3) overhaul early childhood education programs for at-risk children; (4) increase funding for longer school days, weeks, and years (with new funding mechanisms to alleviate the financial discrepancies between wealthier and poorer school districts); and (5) change the governing structure of Kentucky's schools to eliminate bureaucracy.[243]

The Jefferson County (greater Louisville area) school system has a limited choice program that includes traditional and magnet schools. Traditional schools (kindergarten through 12th grade) emphasize the basics of reading, writing, math, and science; are strong in discipline; have specific dress and behavior codes; and require active parental involvement and support. Parents put their names on a list for the traditional school serving their district. Selection is made by a "draw" system that is guided by desegregation laws and the school district. The Jefferson County magnet program (for 1st through 12th grades) requires an application for a specific curriculum area such as science, math, computer science, performing arts, and visual arts. References, grades, school records, and a personal interview determine a child's ability and talent in the requested area.

In 1998, a new $1 million privately funded scholarship program, School CHOICE Scholarships, Inc., awarded over 300 scholarships to children from low-income families to attend a private school of choice in Jefferson County. The scholarships cover 50 percent of tuition (up to $1,000) for three years. In 1999, School CHOICE Scholarships, Inc., in Louisville increased by 200 the number of grants to be awarded in its second scholarship lottery.

Developments in 2001

A Kentucky circuit judge recently overruled a lower court's decision to force a home-schooled teen back into public school. The circuit court judge declared home-schooling a fundamental parental right. The teen had started a home-schooling program last fall after poor health made it difficult for her to attend public school. A Logan County district judge, however, concluded the teen was guilty of truancy and ordered her to attend public school until she was 18—two years beyond what the state's compulsory education law mandates. A pick-up order and arrest warrant for her mother for contempt of court were also issued, but lifted later by the appeals court. "Parents have a fundamental right to direct the education and upbringing of their children. This right includes the right of parents to choose an alternate education in lieu of public schools," wrote appeals court Judge Tyler Gill. The teen is free to continue home schooling until she graduates.[244]

Position of the Governor / Composition of the State Legislature

Governor Paul Patton, a Democrat, has no stated position on school choice. The House is controlled by Democrats; the Senate is controlled by Republicans.

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[243] See also Lisa Deffendall, "Bush Plan for Schools Resembles Kentucky Reform," *Lexington Herald-Leader*, January 27, 2001.

[244] Julie Foster, "Kentucky Home-Schooler Wins Victory," *WorldNet Daily*, June 6, 2001.

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LOUISIANA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1995
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 23
  Number of students enrolled (fall 2000): 3,905
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 26th out of 50 states

K-12 Public Schools and Students (2000–2001)

- Public school enrollment: 753,673
- Number of schools (1998–1999): 1,500
- Current expenditures: $4,540,390,000
- Current per-pupil expenditure: $6,024
- Amount of revenue from the federal government: 11.4%
- Evaluation of school performance: Report card and ratings

K-12 Public School Teachers (2000–2001)

- Number of teachers: 49,593
- Average salary: $34,253
- Students enrolled per teacher: 15.2
- Leading teachers union: AFT (also known as Louisiana Federation of Teachers)

K-12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Louisiana Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	3% (6%)	1% (2%)	0% (2%)	0% (4%)	1% (3%)
Proficient	(24%)	16% (23%)	17% (28%)	8% (18%)	7% (19%)	12% (24%)
Basic	(31%)	29% (31%)	46% (41%)	36% (42%)	31% (38%)	27% (33%)
Below Basic	(37%)	52% (39%)	36% (28%)	56% (38%)	62% (39%)	60% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 25th out of 26 states

Background

In 1995, then-Governor Edwin Edwards signed a strong charter school bill sponsored by state Senator Cecil Picard (D–25). It authorizes a charter school demonstration program to give parents, teachers, and concerned citizens an opportunity to evaluate the effectiveness of independent public schools. Up to eight school boards could volunteer for the program. The boards, in turn, authorize the groups that establish at least one charter school in the district and up to one for every 20,000 pupils enrolled in the public and non-public schools within the charter jurisdiction. The following groups may apply for a five-year charter:

- A group of three or more teachers holding Louisiana teaching certificates;
- A group of 10 or more citizens;
- A public service organization;
- A business or corporate entity;
- A Louisiana college or university; or
- An existing public school, which may convert if two-thirds of the full-time faculty and instructional staff and two-thirds of the parents sign a petition in favor of the charter.

At least 75 percent of the teachers employed by the charter school must be state certified; the remaining 25 percent must meet other requirements. Charter schools are not bound by any district-wide collective bargaining agreement if this stipulation is written into their charters.

One of the strengths of the new law is its funding provision. All charter schools approved by the local school board would receive a per-pupil amount equal to the amount the district currently spends on average per pupil. In addition, charter schools would be eligible for federal, state, or local operating funds for which the student qualifies. New charter schools may not be operated by religious or home study groups, or opened for the purpose of becoming religiously affiliated schools in the future.

In 1997, the Louisiana Senate Education Committee defeated a $300 million voucher bill introduced by Senator Tom Greene (R–17). This legislation would have made vouchers available through the Educational Voucher Program based on state per-pupil expenditure and would have phased in the use of vouchers over a 12-year period, beginning with kindergarten and 1st grade. The bill was opposed by the Louisiana School Board Association, the American Civil Liberties Union, and local teachers unions. Ed Steimel, former president of the Louisiana Association of Business and Industry and the Public Affairs Research Council, is a leading supporter.

In 1998, New Orleans and Baton Rouge were named two of 40 "partner cities" of the Children's Scholarship Fund (CSF). The CSF, a $100 million foundation, agreed to match funds raised by New Orleans and Baton Rouge residents to fund approximately 1,500 private scholarships for low-income students (1,250 in New Orleans and 250 in Baton Rouge) to attend a school of choice. The four-year scholarships were awarded to children entering kindergarten through 8th grade. On April 22, 1999, the CSF announced the recipients had been selected randomly by computer-generated lottery: 1,500 scholarship recipients were chosen from 29,152 applications in New Orleans, and in Baton Rouge, 250 recipients were chosen from 5,568 applicants.[245]

None of the voucher bills introduced in the legislature in 1999 succeeded.[246]

- H.B. 725 sought to create a Right to Learn pre-K program for low-income students that could later expand to include 3rd graders and later all children. Vouchers of $1,500 or the amount charged by the non-public school, whichever is less, were to be used at an approved school of choice.
- H.B. 1652, S.B. 299, and S.B. 964 sought to create a voucher program that would begin with kindergarten and eventually include all K–12 public and private students and schools.
- H.B. 1770 sought to expand the TOPS college scholarship program to include certain elementary and secondary school students. Under this plan, the governor would designate, with local school board approval, three to 10 low-performing schools. Students in the schools would receive an award of $1,000 or 50 percent of the non-public

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[245] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[246] *PAR Legislative Bulletin*, Vol. 45, No. 3 (April 27, 1999).

school tuition, whichever is less, to attend a school of choice. The governor could expand the program in subsequent years. All potential cost savings would be reallocated to the local school district.

- H.B. 1953 would have created the Louisiana Alternative Education Grant Program for students in parishes with a minimum population of 240,000 based on the latest decennial census. Limited at first to students in kindergarten, it would gradually expand to include all grades. The voucher amount would not exceed the average per-pupil cost of education of the other students.
- S.B. 1029 would have created a five-year pilot choice program targeted at low-income students in pre-kindergarten through 1st grade to attend a school of choice.

In a 6 to 3 ruling, the U.S. Supreme Court decided in *Mitchell* v. *Helms* to uphold a Louisiana program that sends federal money to public school districts to purchase and lend classroom equipment to private schools. The court found such government aid to religious schools to be constitutional and does not violate the separation of church and state.[247]

Developments in 2001

Louisiana's first school voucher program is set to start this fall in New Orleans, with the state directing public money to pay for 600 financially disadvantaged 4-year-olds to attend local Catholic preschools. An attempt to kill the $3 million program was defeated by a vote of 32 to 7, with all of the New Orleans–area senators voting for the program. Kirby Ducote, a lobbyist for the Louisiana Catholic Conference, hailed the initiative as a "radical change." Asked if he thought this project could lead to more voucher-type programs, Ducote said, "I hope so. I hope we are opening a door."[248]

Position of the Governor / Composition of the State Legislature

Governor M.J. "Mike" Foster, Jr., a Republican, supports school choice that would allow students in failing schools to transfer to another public or private school of choice. He has proposed expanding the state's pilot charter school program.[249] Both houses of the legislature are controlled by Democrats.

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[247] *School Reform News*, The Heartland Institute, August 2000.

[248] Children First America, "Voice for Choice," e-mail alert, July 6, 2001.

[249] Center for Education Reform, *School Reform in the United States: State by State Summary*, Spring 1997, p. 22.

MAINE

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: No
  Charter schools: "Legislative" charters permitted since 1821 (see *Background*)
  Number of charter schools in operation (fall 2000): 2 "legislative" charter schools
  Number of students enrolled in charter schools (fall 2000): N/A
- Publicly funded private school choice: Yes (Tuitioning law since 1954)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 9th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 207,580
- Number of schools (1998–1999): 690
- Current expenditures: $1,660,967,000
- Current per-pupil expenditure: $8,002
- Amount of revenue from the federal government: 6.3%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000-2001)

- Number of teachers: 15,500
- Average salary: $36,256
- Students enrolled per teacher: 13.3
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Maine Student Performance	**(National) 2000 Reading**	**State (National) 1998 Reading**		**State (National) 1996 Math**		**State (National) 1996 Science**
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	8% (6%)	4% (2%)	3% (2%)	6% (4%)	4% (3%)
Proficient	(24%)	28% (23%)	38% (28%)	24% (18%)	25% (19%)	37% (24%)
Basic	(31%)	37% (31%)	42% (41%)	48% (42%)	46% (38%)	37% (33%)
Below Basic	(37%)	27% (39%)	16% (28%)	25% (38%)	23% (39%)	22% (40%)

- SAT weighted rank (2000): 15th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Since 1954, school districts that lack sufficient public schools have provided aid for students to attend non-religious private schools (though religious schools had been included at one time) or other districts' public schools. Parents in districts without a public school are reimbursed for the cost of tuition to send their children to a non-religious private school, either within or outside the state, or to a public school in a neighboring district of choice. The practice is known as tuitioning.

Of the students who participated in the tuitioning program in fall of 1999, 5,614 from 55 communities attended private school while 30,412 chose to attend nearby public schools. Schools of choice ranged from regular public schools to academies such as Waynflete School in Portland and boarding schools. Data from the state Department of Education suggest that Maine's tuitioning program costs roughly $6,000 per student—far less than the average $8,000 per-pupil expenditure in the state. The Cato Institute has commissioned a study of Maine's version of school choice which is to be released in 2001 and includes a look at Vermont and Arizona.[250]

In 1997, the Institute for Justice, based in Washington, D.C., filed a lawsuit in the case of *Bagley* v. *Town of Raymond* on behalf of Maine parents living in tuitioning towns who wished to send their children to a religious school and receive the same subsidy as those sending their children to private schools. The lawsuit argued that excluding religious schools violates the U.S. and Maine Constitutions, which both guarantee the free exercise of religion and equal protection under the law. The Cumberland County Superior Court in Portland ruled against the parents in 1998.[251] In April 1999, the Maine Supreme Court upheld that decision; and in October 1999, the U.S. Supreme Court refused to review the decision, letting stand the exclusion of religious schools from Maine's tuitioning program.

Though Maine has no public charter school law, anyone can charter a school, since legislatively they are considered non-profit educational corporations. A non-profit corporation essentially is a "charter" or compact between an organization and the government. Almost every private school in Maine has a charter from the state to operate as a school. The legislature does not get involved until a school applies for direct state funding. To receive state funding for tuition reimbursement, the school must comply with state Department of Education criteria or submit a legislative proposal that reads like a charter contract.

A bill to authorize the creation of public charter schools was first introduced in 1995 by then-state Representative Albee Barth (R–Bethel) on behalf of an elementary school principal who wanted to convert his school to charter status. The bill died in committee. In 1996 a committee was established to study the charter issue and craft a charter school bill. The bill was introduced by then-Representative Judy Powers (D–Rockport) in 1999. It would have allowed five new charters with a total enrollment of 200 in the first year. The bill was defeated in the 2001 session.

The Maine School of Science & Mathematics,[252] a charter school created in 1995 whose public funding has been opposed by the public education establishment, Governor Angus King, and the Maine Association for Charter Schools, appears to have won its battle for legitimacy as a "legislative charter school." It is funded and accountable to the legislature, with minimal local and state Department of Education oversight.[253]

During the 1998 legislative session, state Representative Adam Mack (R–Standish) attempted to attach an amendment to the supplemental budget to establish 3,000 scholarships of $5,000 each to enable children to attend a school of choice. The scholarships would have gone to children whose families earn less than $30,000 per year and who live in school "administrative units" with test scores in the lowest 25 percent. The amendment failed.

When the Children's Scholarship Fund (CSF) completed its first round of awards, only 44 children out of 1,625 that had applied in Maine received tuition scholarships. Generous Maine

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250. E-mail correspondence from Frank Heller of the Maine Education Choice Coalition, April 11, 2001.

251. Correspondence from Maureen Blum, Institute for Justice, December 16, 1998.

252. See *www.mssm.org/*

253. Correspondence from Maureen Blum, Institute for Justice, December 16, 1998.

citizens decided to reach out to the 1,581 students left without educational options by launching the Maine Children's Scholarship Fund (no affiliation with the CSF). The Maine fund raised $100,000 and receives a $50,000 matching grant from Children First America. It offers partial scholarships for tuition for K–12 students in public and private schools, and reimbursement of expenses for home schooling. The program provides up to 75 percent of tuition to a maximum of $1,700. It reportedly has awarded 28 scholarships to 14 families.[254]

Developments in 2001

A law to allow the formation of charter schools was introduced in the 2001 legislature but died in committee. Under L.D. 1531, the state Board of Education would be given responsibility for developing a public charter school program, and any existing public school or program could convert to charter status after a review by the board.[255]

In January, state Representative Kevin Glynee (R–Portland) introduced a tax credit bill. A bill for the costs of home-schooling was also introduced. No action has been taken on the bill.

The Maine Children's Scholarship Fund is planning to award 28 additional scholarships for the 2001–2002 school year.The program has received some assistance from the CEO Scholarship Fund and the San Antonio Scholarship Fund.[256]

About 500 home-schooling parents and children convinced state lawmakers in February that they do not need more state oversight. An overwhelming turnout before the legislature's Education and Cultural Affairs Committee spelled defeat for a bill that would have required home-schooled students to take the Maine Educational Assessment test. In the past 20 years, the number of home schooled students has grown from six to 4,100.[257]

Position of the Governor / Composition of the State Legislature

Governor Angus S. King, Jr., an Independent, supports limited school choice, especially public school choice. Both houses of the legislature are controlled by Democrats.

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[254] *Ibid.*

[255] E-mail correspondence from Frank Heller of the Maine Education Choice Coalition, July 6, 2001.

[256] E-mail correspondence from Frank Heller of the Maine Education Choice Coalition, January 26, 2001.

[257] Tess Nacelewicz, "Schooling at Home: Advocates Rise to Test," *Portland Press Herald*, February 22, 2001.

MARYLAND

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 46th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 860,264
- Number of schools (1998–1999): 1,326
- Current expenditures: $6,370,481,000
- Current per-pupil expenditure: $7,405
- Amount of revenue from the federal government: 5.3%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 51,621
- Average salary: $44,997
- Students enrolled per teacher: 16.7
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Maryland Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	7% (6%)	4% (2%)	3% (2%)	5% (4%)	2% (3%)
Proficient	(24%)	22% (23%)	27% (28%)	19% (18%)	19% (19%)	23% (24%)
Basic	(31%)	32% (31%)	41% (41%)	37% (42%)	33% (38%)	30% (33%)
Below Basic	(37%)	39% (39%)	28% (28%)	41% (38%)	43% (39%)	45% (40%)

- SAT weighted rank (2000): 9th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

If any state could benefit from accountability and choice, it would be Maryland, which has been resistant to change despite efforts by education reformers. Test scores indicate that more than half of Maryland public school students do not have a basic command of the subjects they are studying. Only 45.3 percent of students scored at a satisfactory level of 70 percent on the 2000 state assessment, the Maryland School Performance Assessment Program (MSPAP). Only 19.9 percent of Baltimore City's 5th graders and 27.4 percent of their peers in Prince George's County scored at a proficient level in reading. Since the tests began in 1993, only about 25 percent of Maryland's 8th graders have been able to read at a satisfactory level.[258]

Perhaps this is why private schools in Maryland have had record high enrollments, with some schools boasting long waiting lists. Enrollment has increased in recent years by about 3 percent per year. Dissatisfaction with the public schools, even in the wealthy suburbs, is a primary factor cited.[259] Reflecting the nationwide trend, home schooling in Maryland is also booming.

When the state assumed partial control of the failing Baltimore City school system in 1997, it implemented a new policy that includes a mild provision for charter schools. Charter schools could operate, under contract with the district, somewhat free from district management.[260]About 20 groups submitted proposals to open the semi-autonomous publicly funded schools in Baltimore. Of the New Schools Initiative schools launched, five were still operating in December 2000.[261]

In 1999, the state Department of Education requested that private entities apply for contracts to manage "reconstitution eligible" (RE) public schools in Baltimore City. RE schools have shown poor performance for the prior three or four years despite being given an ultimatum to improve. Stipulations in the contracts were vague, forcing the Department of Education to clarify the contracts. Those that receive final approval would begin managing the school(s) in the fall of 2000.

Seeking to head off a new venture in school privatization, the Baltimore Teachers Union filed a lawsuit in circuit court aimed at thwarting the takeover of three failing elementary schools by Edison Schools, a private school management company based in New York. Edison teachers would be employees of the school system and not union members. The suit asked the court to void the five-year contract with Edison and declare that the state and city boards may not delegate their authority over education in the city to a private business.[262] In late August 2000, Judge Stuart Berger rejected the union's arguments and upheld the state's authority to turn over operation of failing schools to Edison.[263]

Tax credit legislation (H.B. 1075) for education expenses was introduced in 1998 by state Delegate James Ports (R–Baltimore County). The credit would be capped at $50 per year. The plan, modeled after a recently enacted Arizona plan and supported by TEACH Maryland, was defeated in the Ways and Means Committee..

In March 1999, a charter school bill (S.B. 761) approved by both chambers stalled when the Senate refused to concur with amendments added by the House. The bill would have established a pilot program to allow certain low-income children to attend public charter schools. The problems: The Senate version did not require charter teachers to be unionized as the House version did; it restricted participation in the pilot program to low-income students, while the House allowed wider eligibility; it made no provision for a charter appeals process as did the House version; and neither version allowed private schools to convert to charter status.[264]

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[258] Jennifer Garrett and Christopher Summers, "Don't Throw Money at Schools," *The Baltimore Sun*, March 6, 2001. See the Maryland School Performance Report at *www.msde.state.md.us*.

[259] Mike Bowler, "Private Schools Worry About Cost of Success," *The Baltimore Sun*, December 20, 2000.

[260] Correspondence with Douglas P. Munro, Calvert Institute, December 14, 1998.

[261] Erika Niedowski, "Panel Seeks School Ideas," *The Baltimore Sun*, December 27, 2000.

[262] Eric Siegal, "School Pact Draws Suit," *The Baltimore Sun*, April 21, 2000.

[263] Erika Niedowski, "Judge Backs School Plan," *The Baltimore Sun*, August 23, 2000.

[264] Correspondence from Douglas P. Munro, Calvert Institute, March 3, 1999.

A tuition tax-credit and deduction bill for education-related expenses was reported unfavorably in the House Committee on Ways and Means in 1999. It would have allowed families to take a tax deduction of up to $1,500 per child in kindergarten through 6th grade and $2,500 per child in 7th through 12th grades. For low-income parents (combined incomes of less than $33,500), a tax credit for $2,000 would have been allowed.[265] Delegate Nancy Stocksdale (R–Carroll County) introduced legislation in the House in 2000 to give tax credits to parents for educational expenses for all children in grades K–12.[266] Three bills to allow students in RE schools to attend a private school of choice were also introduced.[267]

According to the Indianapolis-based Friedman Foundation, after years of resistance, Maryland's legislature voted in 2000 to provide modest amounts of state textbook aid to thousands of students who attend one of the 500 privately run religious or secular schools in the state. Maryland became one of nearly 40 states to furnish some form of assistance to private school students, such as textbook aid, transportation, uniforms, and tax deductions for donors to private schools.[268]

Accountability is gaining ground. Howard County's School Superintendent, John O'Rourke, announced in mid-October 2000 that he would begin requiring individual reports on every 3rd grader who is falling behind in math or reading, and he would "accept personal responsibility" for student performance. In addition, all 37 elementary school principals in the county would have to begin submitting a personalized one-year plan for improvement.[269]

Baltimore became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF is a $100 million foundation that matches funds raised by Baltimore residents to fund scholarships for low-income students to attend a school of choice. A lottery in April 1999 awarded the four-year scholarships to 500 children entering kindergarten through 8th grade out of 20,145 applicants. Among Baltimore's eligible parents, 44 percent had applied for CSF scholarships. This was the highest percentage in the country; the national average was 24 percent.[270] Baltimore residents had raised $1 million for the fund.

Developments in 2001

A statewide poll found that Marylanders are dissatisfied with their public schools and believe that rigorous high school tests and more and better qualified teachers are needed.[271]

Though standardized test results showed improvements in reading and math among Baltimore City elementary school students,[272] more than 30,000 students (nearly one-third of Baltimore's public school population) failed to meet new promotion standards at the end of the 2000–2001 school year and must attend summer school. Roughly half of 8th graders, 40 percent of 6th and 7th graders, and one-third of 1st through 5th graders are failing, officials say. The five-week summer school program will be the largest the city has ever held.[273]

In March, African–Americans parents in Baltimore County and the local chapter of the National Association for the Advancement of Colored People demanded that the school board devise a specific plan to end the disparities in scores for black students on state standardized tests. About one in four black 3rd graders (28.9 percent) in the county met or surpassed state standards for reading. The rate for white students was 50.7 percent. At Woodlawn Middle School, which is close to becoming the first Baltimore County school to be eligible for state takeover, only 15 percent of the school's students met or exceeded standards.[274]

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[265] Correspondence from John Schiavone, TEACH Maryland, March 11, 1999.

[266] Correspondence from Representative Nancy Stocksdale, February 1, 2000.

[267] See Education Commission of the States Web site at *www.ecs.org*.

[268] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 3 (2000).

[269] Tanika White, "School Chief Wants List of Pupils Who Fall Behind," *The Baltimore Sun*, October 19, 2000.

[270] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[271] Howard Limbit and Thomas Waldron, "Baltimoreans Least Happy with Schools," *The Baltimore Sun*, January 10, 2001.

[272] Liz Bowie, "Elementaries in City Show Marked Gains," *The Baltimore Sun*, January 1, 2001.

[273] Liz Bowie, "30,000 Facing Summer School," *The Baltimore Sun*, June 7, 2001.

The American Civil Liberties Union has stepped up pressure on Maryland's governor and legislature, saying it will consider legal action if funding for Baltimore schools is not increased soon. The ACLU says a Baltimore circuit court ruling requires the state to give as much as $2,600 more per student each year to the city's public schools.[275] Maryland's public schools currently receive $7,405 per student, which exceeds the national average of almost $6,200. Despite this amount, students still score poorly.

In June 2001, a task force charged with overhauling Maryland's system of school financing found that annual education spending needs to increase from its current $5.9 billion to between $6.5 billion and $8.5 billion to meet its constitutional requirement of providing an adequate education for all children.[276]

The House appropriations subcommittee rejected the governor's request for $8 million in new textbook aid for private schools. Opponents maintained that private schools would receive state aid at the expense of public schools that struggle to provide new books as well as other resources and supplies. Nevertheless, the legislature ultimately approved $5 million in the final budget for this subsidy.[277]

The Maryland School Performance Assessment Program (MSPAP) continues to face heated criticism. Williamson Evers of the Hoover Institution and former chairman of an MSPAP content review panel wrote that "the MSPAP is neither an adequate gauge of what the students have learned from their schoolwork nor a test of their critical thinking."[278] A public opinion survey of 1,200 registered Maryland voters found that only 25 percent believe education has improved as a result of the assessment program.[279] According to the MSPAP, more than half of the students do not have a basic command of the subjects they study.[280]

The state in January added four more Prince George's County schools to its list of schools that are eligible for state takeover or reconstitution, bringing the total to 102—15 in Prince George's County, 85 in Baltimore City, one in Baltimore County, and one in Anne Arundel County. The "reconstitution eligible" (RE) schools had to produce a plan by April 1 detailing how they would improve performance, with state help in the form of technical assistance and extra funding. Some children in Prince George's County schools on the list are now able to transfer to other county schools that are performing better under a proposal approved in May by the local school board.[281] Title I students will be allowed to transfer to better performing schools in their district beginning in fall 2001.

At the January 2001 state board meeting, the Westport School in Baltimore City, which had been on the state's list of schools under local reconstitution for several years, was moved from local reconstitution to state reconstitution for failure to progress toward standards.[282]

Maryland Republicans have proposed measures to let local school districts tap into the $190 million federal fund available to help charter schools pay start-up costs. Although no Maryland law prohibits local districts from approving charter schools, no charters would be eligible for the $150,000 to $180,000 in available federal funds unless the state enacts enabling legislation. Under a new but limited initiative, the states quietly began to notify parents of children in its 141 worst-performing public schools that

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274. Gerard Shields, "Parents Upset by Disparities in Test Scores," *The Baltimore Sun*, March 14, 2001.

275. Liz Bowie, "ACLU Aims to get Maryland Fund for City Schools," *The Baltimore Sun*, March 12, 2001.

276. Howard Libit, "Schools May Need Big Boost in Funding," *The Baltimore Sun*, June 8, 2001.

277. E-mail correspondence with Joni Gardner, President of the Maryland Charter School Network, April 19, 2001.

278. Bill Evers, "MSPAP Failings," *The Baltimore Sun*, January 3, 2001.

279. Mike Bowler, "MSPAP Friends in Right Places," *The Baltimore Sun*, January 17, 2001.

280. Center for Education Reform Newswire, January 31, 2001; see *www.edreform.com*.

281. Tracey Reeves and David Nakamura, "4 More Prince George's Schools Cited," *The Washington Post*, February 1, 2001.

282. Maryland State Department of Education, "School Reconstitution: State Intervention Procedures for Schools Not Progressing Toward State Standards," Fact Sheet No. 5, Revised January 2001, at *www.msde.state.md.us/Fact%20Sheets/F5%20Recon.pdf* (July 10, 2001).

they may soon be able to transfer to a better public school or charter school of choice.[283]

Several choice bills were introduced in the 2001 legislative session. S.B. 722 and H.B. 1089 would authorize "opportunity scholarships" in the amount of the cost of educating a child, minus fees for books and supplies. Students in failing schools could transfer to another public, charter, or private school, taking those taxpayer funds with them.[284] Both bills died in committee.

Senator Delores Kelley, a Democrat, introduced S.B. 171 to make it easier for children living with relatives other than their parents to attend school in the relatives' district.[285] Four years ago, the General Assembly passed legislation making it more difficult for children to attend schools outside their parents' district. This new law would affect about 2,500 students enrolled in schools other than where their parents live because of family hardships. No action has been taken on it.

In April, the House of Delegates approved a bill to authorize school boards to approve public charter schools. It also established an appeals process to the state Board of Education for applications that are denied.[286] Though H.B. 29 and its companion S.B. 604 both passed their respective chambers, they died in conference committee. The Senate did commit to work with the charter community to craft a new charter school bill.[287]

On March 20, 2001, the Howard County Board of Education voted to extend for another school year a moratorium on its open-enrollment policy, which allowed students to attend any school if there is room as long as their parents transport them.[288] A few weeks later, the board voted to approve new guidelines that could close the door on open enrollment.[289]

Calvert County is embroiled in a legal battle over providing families that home school their children with access to public facilities. The case has gone to federal court, with the parents claiming the county's restrictive policy is a violation of their rights to free speech and equal protection under the law. County leaders argue that without the policy, public buildings could become de facto private schools. But Scott Somerville, an attorney for the Home School Legal Defense Association that is representing the plaintiffs, believes it is the threat of competition that motivates opponents. The case was scheduled to be heard in July but was postponed. In 2000, the number of home-schooled children in Maryland increased 9.4 percent, to just over 17,000.[290]

After taking over management of Montebello Elementary School, an RE school in Baltimore, Edison helped turn achievement around. This year, its students celebrated an average 28.6 median percentile gain in reading and 39.8 in math on the Comprehensive Test of Basic Skills.[291]

Position of the Governor / Composition of the State Legislature

Governor Parris Glendening, a Democrat, supports public school choice, not private school choice. Both houses of the legislature are controlled by Democrats.

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[283] JoAnna Daemmrich, "State Offers School Choice," *The Baltimore Sun*, April 25, 2001.

[284] Margie Hyslop, "Senate, House, in Standoff Over Charter Schools," *The Washington Times*, April 6, 2001.

[285] Howard Libit, "Bill Would Ease Limits on Choice of Schools," *The Baltimore Sun*, February 15, 2001.

[286] Tracey Reeves, "Maryland House Approves Measure to Authorize Charter Schools," *The Washington Post*, April 7, 2001.

[287] Phone conversation with Joni Gardner, President of the Maryland Charter Schools Network, April 18, 2001.

[288] Linda Perlstein, "Moratorium on Open Enrollment Is Extended," *The Washington Post*, March 21, 2001.

[289] Marian Morton, "Vote on Open Enrollment Expected," *The Baltimore Sun*, April 26, 2001.

[290] Nancy Trejos, "Calvert Home-Schoolers Join Fray on Movement's Second Front," *The Washington Post*, May 10, 2001.

[291] Center for Education Reform Newswire, June 12, 2001; see *www.edreform.com*

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MASSACHUSETTS

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary and Intra-district)
- Charter schools: Established 1993
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 42
  Number of students enrolled in charter schools (fall 2000): 11,565
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 22nd out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 977,000
- Number of schools (1998–1999): 1,874
- Current expenditures: $9,009,468,000
- Current per-pupil expenditure: $9,222
- Amount of revenue from the federal government: 5.1%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 70,100
- Average salary: $47,523
- Students enrolled per teacher: 13.9
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Massachusetts Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	8% (6%)	3% (2%)	2% (2%)	5% (4%)	4% (3%)
Proficient	(24%)	29% (23%)	33% (28%)	22% (18%)	23% (19%)	33% (24%)
Basic	(31%)	36% (31%)	44% (41%)	47% (42%)	40% (38%)	32% (33%)
Below Basic	(37%)	27% (39%)	20% (28%)	29% (38%)	32% (39%)	31% (40%)

- SAT weighted rank (2000): 6th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Massachusetts' strong charter school law has not been matched by other choice initiatives. A 1991 public school choice law permits students in the state to attend a public school out of district only if that district participates in the program. The law was amended in 1993 so that a district that chooses not to participate must opt out by an annual vote of the local school committee. Districts that participate may determine, without state review, the number of seats available for out-of-district students, and receive tuition payments from the state equivalent to 75 percent of the actual per-pupil spending in the new district, up to $5,000.

The state Board of Education established an information system to help parents choose from among participating districts. Special education students are covered at a rate of 100 percent of per-pupil expenditures. Transportation assistance is provided for low-income children. As of December 1999, almost 7,200 students were taking advantage of this program.

A 1997 study of the inter-district programs by the Boston-based Pioneer Institute shows that those districts that lost large numbers of students at the outset of the program responded by improving their policies and programs to encourage former students to return and to attract transfer students from other districts. Consequently, these districts lost fewer students in subsequent years. Conversely, districts that lost only a small number of students initially made few changes and lost more students in subsequent years—evidence that a competitive market can have positive effects on the quality of public education.[292]

Massachusetts also has several intra-district choice programs. Boston introduced intra-district choice in 1989 at the prodding of the frustrated business community. The Boston school district is divided into three school zones for kindergarten through 8th grade; students are allowed to choose a school from among all the city schools as long as their choice does not undermine the state's guidelines for racial integration. In 1981, Cambridge launched an intra-district K–8 program but eliminated the system of zones governing which school a child attends. Schools may accept any child and are constrained only by available space and state desegregation requirements.

On the charter school front, then-Governor William Weld, a Republican, signed the Education Reform Act in 1993. Among other things, the law eliminated tenure, required teachers to be re-certified every five years, and authorized the establishment of up to 25 charter schools for the 1995–1996 school year. The schools must be open to all students and may not charge tuition. Up to 6 percent of a district's net school spending amount may be transferred to its charter schools. No more than 2 percent of the total public school student population (about 19,000 children in 1998–1999) may enroll in charter schools.

Under this law, any individual, group, business, corporate entity, two or more certified teachers, or 10 or more parents may apply for a charter; private and parochial schools may not. There are no statutory funding provisions to help charter schools defray start-up costs, though federal grants have been awarded and private funds are available to charter schools in need. An approved school is entitled to per-pupil payments equal to the average cost in the student's home district, and the schools are independent of outside control over daily operations.

A 1997 study by the Massachusetts Department of Education showed that students in charter schools were advancing faster than their peers in their former districts. The Pioneer Institute has found, in several studies of charter schools since 1996,[293] that they served the traditionally underserved student populations, including a higher percentage of low-income, bilingual, and minority children than does the regular public school system. It also found that most charter students had been average or below average in academic achievement at their previous schools.

In a 1998 Pioneer Institute poll, 60 percent of charter school parents gave their schools an "A," compared with 37 percent of district public school parents. Almost 90 percent preferred their child's charter school to the previous school. Nearly two-thirds also said their child was performing better academically as a result of moving to the charter school.[294] Charter school parents are more likely to want to keep their children in their current school than parents whose children are in district schools (78 percent versus 50 percent). More than twice as many district school parents as charter school parents (12 percent and 5 percent, respectively) said that they were looking for a new school for the following year.

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[292] David J. Armor and Brett Peiser, *Competition in Education: A Case Study of Interdistrict Choice* (Boston: Pioneer Institute for Public Policy Research, 1997).

[293] Pioneer Institute for Public Policy Research, *Massachusetts Charter School Profiles, 1995–96 School Year*, July 1996, and *Massachusetts Charter School Profiles, Interim 1996–1997*, 1997.

Charter school parents also reported more frequent communication with their child's school. They reported twice as many in-person meetings with their child's teacher (three meetings per year versus one-and-a half for district school parents), more phone calls (an annual average of four phone calls versus fewer than three for district school parents), and more written correspondence (an average of 3.3 forms compared with 1.7 for district school parents). Charter school parents also were more confident that their child could easily obtain extra help (90 percent versus 71 percent for district school parents).

A 1998 Pioneer Institute study revealed that charter school teachers found it easier to participate in decision-making at charter schools than at other schools at which they had worked. The most common reasons given for seeking a position at a charter school was the school's mission and educational philosophy (51 percent); control over curriculum and instruction (47 percent), the quality of the academic program (42.5 percent), and the collaborative working environment (41 percent). Nearly half the charter teachers held at least a master's degree, and 67 percent held a state teaching certificate. The study found that "charter school teachers are active stakeholders in their schools."[295]

One of Boston's charter schools, the Academy of the Pacific Rim, in 1998 became the first public school in the nation to grant a "learning guarantee." It promised that if a student does not pass the 10th grade state assessment test, then his or her parents would have the right to send that student to another school of choice. The Academy would transfer the per-pupil state expenditure to the recipient school. However, parents must agree to sign weekly progress reports on their child, and if the school feels a student is lagging behind, the student must consent to work with a tutor.

In 1995, when the first charter schools opened, charter schools received an average of two applications for each available space. Four years later, the average rose to nearly five applications for each space. State law in 1999 capped the number of charter schools at 37, and that year 8,500 students were on the waiting lists.

The Home School Legal Defense Foundation won a major victory in the Massachusetts Supreme Judicial Court in 1998 in a seven-year battle with the Lynn School District. In a unanimous 7–0 decision, the court ruled that school officials could not subject home-school homes to inspections.[296]

An October 2000 survey commissioned by the Pioneer Institute found widespread support for school vouchers: 58 percent of residents favored amending the state constitution to remove the prohibition on using public funds for private or parochial school tuition, and 64 percent of minorities supported such a policy. Surprisingly, among self-described liberals, support stood at 57 percent.

Nevertheless, in 2000 Attorney General Tom Reilly refused to certify a grassroots petition to repeal the constitution's anti-aid provision on the grounds that an 82-year-old provision in the constitution prohibited such voter initiatives on this subject. Supporters appealed to a federal court seeking a reversal of that ruling, arguing that this limitation on the petition process restricts the exercise of free speech. Calling that argument "dubious," U.S. District Court Judge George O'Toole refused to issue an injunction that would have allowed the legislature to consider the issue in time to place it on the ballot. Debate also exploded in the legislature when Senate President Thomas Birmingham refused to place the proposal before the legislature because of constitutionality concerns.[297]

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[294] Massachusetts Charter School Resource Center, "Poll Finds Higher Satisfaction Rate Among Charter School Parents," Pioneer Institute for Public Policy Research *Policy Directions*, No. 3, June 1998.

[295] Massachusetts Charter School Resource Center, "Study Finds Charter School Teachers Are Stakeholders," Pioneer Institute for Public Policy Research *Policy Directions*, No. 4, July 1998.

[296] David Bresnaham, "Massachusetts at War with Home Schoolers," *The Massachusetts News*, May 3, 2001.

In May 2000, Lieutenant Governor Jane Swift renewed charters for the state's 14 original charter schools, praising their innovations and urging the legislature to eliminate the 50-school cap on charters.[298] Though the legislature enacted a measure in summer 2000 to increase the number of Commonwealth charter schools from 37 to 72, only seven may be granted per year.[299]

The state Department of Education hired SchoolWorks, an independent consulting firm, to inspect each of the state's charter schools. Their findings indicate that the schools generally were well-run and well-staffed, and that they had successfully met education standards.[300]

Under a new accountability plan, one-fourth of Boston's 130 public schools will be rated each year based on test scores, observations, and interviews. In 2000, six out of 26 Boston public schools were reviewed and found to be in need of improvement.[301] The state hopes to conduct accountability reviews in all of its 360 districts over the next five years.

Under the 1993 Education Reform Act, the Department of Education has the power to take over an underperforming school that fails to improve, based largely on its state assessment (MCAS) scores. Because education spending exploded since passage of the Education Reform Act from $1.3 billion to $2.9 billion in 2000, the governor proposed establishing an Office of Educational Quality and Accountability. The independent office would be tasked with ensuring that districts are spending state money wisely and setting high education standards. Unfortunately, political infighting between the governor and legislators eliminated the money the state was to use for its accountability efforts. The governor vetoed a bill in August because it merely increased the current system's funding.[302]

In 2000, House lawmakers voted to raise the number of charter schools allowed in the state from 50 to 120 over the next five years.[303]

An October 2000 Pioneer Institute poll indicated that 84 percent of parents with children in charter schools were highly satisfied with the schools. Even though district school parents' ratings of their children's school had improved since the last poll, conducted in 1998, charter school parents were still found to be more satisfied in virtually every important area.[304]

In 2000, 33 applications for charters were submitted to state officials, of which 19 for the 2001–2002 school year were reviewed by the Board of Education. Boston topped the list with 10 applicants. The state Board of Education could award 15 Commonwealth Charters (schools that are run independently of any district or union) and 23 Horace Mann Charters (schools run by the district but without many of the usual restrictions).[305]

During his "State of Education," address, then-Governor Paul Cellucci said that school districts that implement a differentiated pay system for math and science teachers would be able to apply for funding to offset increased costs. Cellucci hoped that such a system will lure people with technical skills away from dot-com and other high-tech jobs.[306] In late November 2000,

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297. Ed Hayward, "School Vouchers Have Wide Support," *The Boston Herald*, May 5, 2000; Andrea Estes and Ellen Silberman, "Judge Rejects Mass. Parents' Proposed School Voucher Plan," *The Boston Herald*, May 9, 2000; and Ed Hayward, "Senate President Kills Debate on Vouchers Plan," *The Boston Herald*, May 11, 2000.

298. David Abel *et al.*, "Swift Renews 14 School Charters, Presses for State to Eliminate Cap," *The Boston Globe*, May 31, 2000.

299. Massachusetts Charter School Newsletter, Vol. VI, No. 3 (Autumn 2000).

300. Kathryn Ciffolo and Charles Chieppo, "Early Grades Good for Charter Schools," *The Boston Herald*, June 5, 2000.

301. Anand Vaishnav, "Six Schools Need to Improve, Report Finds," *The Boston Globe*, June 8, 2000.

302. Scott Greenberger, "Dispute Risks Education Funding," *The Boston Globe*, August 4, 2000.

303. "House OK's Hike in Teacher Pensions, More Charter Schools," *The Boston Globe*, June 22, 2000.

304. "Poll Finds High Satisfaction Rate Among Charter School Parents," Pioneer Institute for Public Policy Research, *Policy Directions*, No. 9, October 2000.

305. Ed Hayward, "Officials Pare Charter School Applicants to 19 Finalists," *The Boston Herald*, December 13, 2000,

306. Roselyn Tantraphol, "Cellucci's Pay Proposal Doesn't Score Very High," *The Union News*, September 1, 2000

the state Board of Education approved an overhaul of teacher certification rules, making it easier for professionals in other fields to enter the classroom and to specify new standards for students who major in education. Board members hope to change the system's focus from pedagogical techniques to subject matter.[307]

In 2000, philanthropist Lovett Peters, chairman of the Pioneer Institute, sought to encourage almost two dozen elementary schools in Massachusetts to convert to charter schools. After his Save a School Foundation had identified 22 schools whose 4th graders averaged a failing grade on state tests last year, Peters challenged the districts to turn these schools and their buildings over to community groups to establish charter schools. Schools that accepted Peters' plan would be turned over to a charter management company, such as Sabis Education Systems or Edison Schools. If they failed to increase achievement above the district average within five years, they would revert back to district control and receive $1 million from his foundation.[308] Most of the educational establishment, including Boston superintendent Thomas Payzant, whose district has 12 of the 22 failing schools,[309] refused to take up the challenge. Lynn superintendent James Mazares said: "Unless someone can show me a program that can guarantee our kid's future, why would I gamble?"[310]

Private scholarships make it possible for low-income students to attend parochial schools. The Catholic Schools Foundation has given aid to Catholic schools in the Boston area since 1983 and has offered scholarships to low-income children to attend Catholic schools in Boston since 1991. In 1998, Boston was named one of 40 "partner cities" of the Children's Scholarship Fund (CSF). The CSF, a $100 million foundation, matches funds raised by Boston residents for approximately 500 scholarships for low-income students to attend a school of choice. A computer-generated lottery in April 1999 determined who would receive the minimum four-year scholarships for children entering kindergarten through 8th grade during the 1999–2000 academic year.[311] In Boston, 325 scholarship recipients were chosen from 11,795 applicants.

Developments in 2001

In February 2001, education officials visited the state's 10 best and 10 worst schools as determined by their scores on the state assessment (the MCAS). Last year, 34 percent of 10th graders failed the English section of the MCAS while 45 percent failed math.[312] The visits represented the latest chapter of education reform in Massachusetts following the release of a report indicating that 56 percent of its schools had failed to sufficiently improve.

Beginning in 2003, nearly all students will have to pass a high-stakes MCAS to receive their high school diploma. While much of the attention was focused on individual scores, the state Department of Education will also measure improvements at 1,500 public schools. The Board of Education is expected to endorse a re-test program. Students who fail their initial 10th grade MCAS will have two re-test options, a scoring appeals system, and access to assistance similar to the accommodations made for special needs students.[313]

A February 2001 Beacon Hill Institute (BHI) study of MCAS tests taken by 4th, 8th, and 10th graders ranked state's school districts. These rankings differed widely from the state Department of Education's rankings in its *School Performance Rating Process* report. The BHI rankings took into consideration the role of socioeconomic characteristics, past test performance, class size, changes in spending per student, and other factors in determining expected school performance. It used the Massachusetts Education Assessment Model, described in its report, *Promoting Good Schools Through Wise Spending*.

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307. Ed Hayward, "Board Expected to Give Kids Five Shots at MCAS," *The Boston Herald*, January 23, 2001.

308. Dominic Slowey, Save a School Foundation press release, August 24, 2000.

309. Editorial, *The Wall Street Journal*, September 14, 2000.

310. *Ibid.*

311. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

312. Staff Report, "School Performance Ratings Launch New Chapter of Education Reform," *The Boston Herald*, January 9, 2001.

313. Hayward, "Board Expected to Give Kids Five Shots at MCAS."

BHI determined that spending more money on public education per se does not improve performance. Redistributing funds to areas where increased funding helps is more effective. For example, smaller classes can help in the 4th grade, but not generally in the 10th grade. The better students in 10th grade are more likely to thrive in larger classes where there is more interaction and competition. Students in less financially prosperous districts may benefit from more individual attention; thus, diverting funds to these schools makes more sense.[314]

A University of Massachusetts study released this year found that extra money provided under state education reform is not enough to solve the social and demographic problems that make it harder for students in urban districts to succeed on the MCAS exam. More than $17 billion has been poured into the state's schools since the 1993 law was passed, but researchers say only students in middle- and upper-class communities are making significant improvement.[315]

Three choice bills were introduced in the 2001 legislature:

1. H.B. 1429 proposed a change to a state constitution provision that prohibits public funds from going to religious institutions. The bill was rejected at the committee level.
2. H.B. 1581 proposed a pilot voucher program in three cities for students in failing schools. Private religious schools would not be eligible to participate. The bill stalled in committee.
3. H.B. 1699 proposes a tax deduction for tuition at a private school. The bill stalled in committee.[316]

The Massachusetts legislature is debating the future of 46 bills related to the MCAS, many of which seek to water down the test or eliminate it as a graduation requirement. But standards supporters, including Boston Superintendent of Schools Thomas Payzant, are arguing that using the test as a graduation requirement spurs improvement and raises achievement.[317]

The state Board of Education considered proposals for 17 new charter schools in fall 2001 and approved seven, bringing the total number of approved charter schools to 48. About 8,500 students are waiting to enroll in these new schools.[318]

Massachusetts' charter schools are making news. The entire graduating class of Sabis International School, Springfield's oldest charter school, will go on to college. Sabis students have consistently scored above citywide averages on standardized tests including the MCAS.[319]

As the only Montessori charter school in Massachusetts and one of 40 nationwide, the River Valley Charter School places students in a homelike setting and supplies them with the materials and opportunities to work at their own comfortable pace. It will expand to include middle school students in the fall, increasing its enrollment from 192 to 256.[320]

Students at the Academy of the Pacific Rim in Boston performed well on the MCAS. The average 8th grade scores in 1999 on the English, math, science, and history tests topped state and city public school averages. If its scores continue to improve, its program based on Eastern and Western teaching styles, intense parental involvement, weekly report cards, and a longer school day and school year will garner even more attention.[321]

Students at West Springfield's New Leadership Charter School scored second among Springfield 8th graders in English on the 2000 MCAS, and the third best in Springfield overall. This is significant because 83 percent of the school's entering students had tested below grade level in math and reading.[322]

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[314] E-mail correspondence from Ellen Foley of the Beacon Hill Institute, April 25, 2001.

[315] Staff Report, "Urban Schools Not Benefiting," *GazetteNet*, February 8, 2001.

[316] See National School Board Association at *www.nsba.org/novouchers*.

[317] Center for Education Reform Newswire, June 26, 2001; see *www.edreform.com*.

[318] Ed Hayward, "State Approves 7 New Charter Schools," *The Boston Herald*, February 28, 2001.

[319] Center for Education Reform Newswire, June 26, 2001; see *www.edreform.com*.

[320] Joel Beck, "Montessori Made Public," *Town Online*, February 9, 2001.

[321] Muriel Cohen, "Where East Meets West," *The Boston Globe*, February 4, 2001.

[322] Center for Education Reform Newswire, May 2, 2001; see *www.edreform.com*.

Holyoke's first charter school, slated to open in 2002, will be managed by the largest for-profit education management company in the country, the New York-based Edison Schools.[323]

In February 2001, U.S. District Judge George O'Toole made a partial ruling on a lawsuit filed to remove a provision in the state constitution that protects an anti-aid amendment from voter referendum. O'Toole threw out the challenge to a state ban on using public funds in private schools. He upheld the remainder of the suit to determine whether a constitutional amendment protecting the anti-aid amendment from referendum is valid.[324]

Position of the Governor / Composition of the State Legislature

Governor Jane Swift, a Republican, supports charter schools and urged the legislature to remove the 50-school cap. Both houses of the legislature are controlled by Democrats.

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323. Roselyn Tantraphol, "Questions Posed on Charter School," *Union News*, March 7, 2001.

324. Ed Hayward, "School Voucher Backers Get Split Court Decision," *The Boston Herald*, February 16, 2001.

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MICHIGAN

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Voluntary)
- Charter school law: Established 1993
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 181
  Number of students enrolled in charter schools (fall 2000): 53,102
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 11th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,716,258
- Number of schools (1998–1999): 3,656
- Current expenditures: $13,308,024,000
- Current per-pupil expenditure: $7,754
- Amount of revenue from the federal government: 7.1%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 97,620
- Average salary: $49,975
- Students enrolled per teacher: 17.6
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results:

NAEP Tests Michigan Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	5% (6%)	N/A (2%)	2% (2%)	4% (4%)	3% (3%)
Proficient	(24%)	23% (23%)	N/A (28%)	21% (18%)	24% (19%)	29% (24%)
Basic	(31%)	35% (31%)	N/A (41%)	45% (42%)	39% (38%)	33% (33%)
Below Basic	(37%)	37% (39%)	N/A (28%)	32% (38%)	33% (39%)	35% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 17th out of 26 states

Background

Michigan offers statewide public school choice only to children residing in districts that opt to participate in the state's Schools of Choice program enacted in 1997. Parents can pick their child's school so long as the district has agreed to be a "choice" district, has space available, and is in the same county as the student's home or in an adjacent district.[325]

Frustrated by the failure of voters to approve ballot measures to reform education financing, Michigan's legislature in 1993 took the extraordinary step of repealing property taxes as a source of school operating revenue. Governor John Engler, a Republican, and his legislative allies crafted measures for quality improvement and cost containment, such as school choice, abolition of teacher tenure, alternative certification, mandatory competitive bidding for teacher health insurance, and school employee pension reform. Opponents led by the Michigan Education Association (MEA) succeeded in blocking nearly all the reforms and backed legislation to increase school spending and centralize school administration at the state level.

In late 1993, acting under a self-imposed deadline, the legislature also passed a series of bills to replace most of the repealed property tax revenue. It then gave voters the option of raising either the state sales tax or, by default, income and business taxes. In addition, legislators overhauled state school aid, folding many categorical programs (such as school transportation and some special education) and separate obligations (such as employer FICA and retirement funds) into a basic per-pupil grant that could not be transferred between districts.

Also in 1993, according to an internal MEA document, the union vowed to oppose any effort by school districts to privatize school support services, such as cafeteria, custodial, and transportation services, and any revision in state law that would make local privatization easier to implement. However, information made available to the media by the Mackinac Center, a Michigan-based think tank that issued studies recommending privatization to cut costs and improve quality, indicated that the MEA had itself contracted with private firms for cafeteria, custodial, mailing, and security services at its headquarters in East Lansing; these firms usually were non-union. Since then, there has been an explosion in the number of districts that contract out for various services.

The state passed a charter school law in 1993. Shortly after its passage, however, the teachers unions and the American Civil Liberties Union filed a lawsuit claiming that charter schools were unconstitutional because they would use state funds but would not be regulated by the state Board of Education. On November 1, 1994, Ingham County Circuit Judge William Collette ruled that charter schools could not receive public funds. The governor and the legislature responded by drawing up new legislation with stricter state regulations.

Michigan Public Act No. 416 was passed on December 14, 1994, to "govern the establishment and operation of a Public School Academy," or charter school. It allows state public universities, community colleges, and local school districts to create public school academies. Universities have the greatest flexibility and are free to enroll students from across the state. Although there is a limit on the number of charter schools the universities may create, there is no cap on the total for the state as a whole. Teachers in charter schools are retained according to performance and do not enjoy tenure rights or guaranteed employment after four years.

Michigan law does not permit the waiver of statutory requirements. However, the state Board of Education may waive the application of an administrative rule if the applicant can meet its intent in a more effective, efficient, or economical manner, or if the waiver can stimulate student performance. For constitutional and school aid purposes, charter schools are defined as "school districts" and therefore may be subject to the same bureaucratic regulations binding school districts in admissions, curriculum, assessment, accreditation, teacher certification, special education, and (in the case of district-authorized charter schools) employee contract provisions.

The high level of parental demand for charter schools has made them diverse. For example, charter schools cater to pregnant teenagers, at-risk Hispanic students, children with learning disabilities, Native American children on reservations, and students with an aptitude for cre-

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325. Phone conversation with Mary Gifford of the Mackinac Public Policy Institute, July 6, 2001.

ative arts. Charters also are available for technical trade academies, schools with a focus on the environment, and high-level math and science centers.

In November 1997, the Mackinac Center proposed a creative Universal Tuition Tax Credit plan. The measure called for allowing businesses or individuals paying private or public school tuition to reduce 80 percent of the cost of that tuition off their taxes. The tax credit would be capped at $2,800, half of what Michigan provides per pupil to its public schools. The plan was endorsed by several groups, including the state's largest religious organization, the Wolverine State Missionary Baptist Convention, and the *Detroit News*. It is unlikely that the tax credit will be introduced, since under the state's strong Blaine Amendment to the constitution, a tuition tax credit would not be constitutional.[326]

TEACH (Toward Educational Accountability and Choice) Michigan, a statewide grassroots organization that is working to repeal the constitutional prohibition on full choice, took 20 of Detroit's African–American leaders to Milwaukee in 1997 to learn more about school choice opportunities. Subsequently, in April 1997, the influential Council of Baptist Pastors of Detroit and Vicinity publicly stated its interest in school choice as an educational reform option. Then, in 1998, the Council released a report, *Empowering Parents to Drive Education Reform*, published by TEACH Michigan, which outlines the group's dedication to the principles of educational choice. (However, an initiative in 2000 to give low-income parents vouchers to attend a private school did not receive the Council's support.)

In Detroit, Cornerstone Schools (established by a coalition of church groups, businesses, labor, and community organizations) offer low-income children educational alternatives. Over half the children in Cornerstone Schools cannot afford full tuition; this led the schools to set up a Partner Program, which matches each student with a mentor/benefactor who donates partial scholarship assistance and plays an active role in the student's life.

In 1998, Dr. E. Edward Jones, president of the 4 million–member National Baptist Convention of America, agreed to join the school choice movement in establishing a new African–American–led scholarship fund for low-income students in kindergarten through 12th grades, and campaigning nationally for enactment of tuition tax credits that encourage individuals and businesses to donate to such funds. His decision came after a philanthropist, John Walton, committed $10 million in matching funds to a new scholarship fund, the United Fund for Educational Opportunity.

Under the leadership of Amway President and former Michigan Board of Education member Richard DeVos, school choice activists (including TEACH Michigan and Detroit's black pastors) and business leaders formed Kids First! Yes! The group sought to amend the Michigan constitution to give parents whose children attend schools in "at risk" districts a publicly funded voucher to attend a school of choice. Currently, only about 30 of hundreds of districts in the state fail to graduate two-thirds of their students. The Kids First! Yes! proposal sought scholarships for children in these districts worth half (about $3,300) the public school per-pupil expenditure to be used at a private school of choice. About 90 percent of Michigan's private schools would have qualified for the program.

To protect the public school system, the Kid First! Yes! proposal also recommended a guarantee in law that public school spending would never fall below the current level and that there would be an 18 percent increase in the minimum level of public school funding—which would mean about $2.1 billion annually for Michigan's school districts.[327] Kid First! Yes! gathered 302,000 signatures from registered voters to put the amendment to a statewide vote in November 2000. The amendment would repeal a 1970 amendment passed by voters that outlaws public aid to religious schools, including indirect aid such as tax credits and deductions. Michigan's constitution is regarded by many as the most restrictive in the United States with regard to school choice.

There was strong opposition to the efforts of Kids First! Yes! A coalition of 30 anti–parental choice groups, organized under the name All Kids First!, campaigned against the proposal.

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[326] *Ibid.*

[327] George F. Will, "Stonewalling School Reform," *The Washington Post*, August 31, 2000.

However, a January 2000 poll by the *Detroit News* indicated that 53 percent of voters favored the Kids First! Yes! proposal, while 23 percent opposed it.[328]

Michigan's Catholic bishops endorsed the Kids First! Yes! campaign by sending three pro-voucher letters to Catholics throughout the state. Calling expanded educational choice "not an option [but] a requirement of social justice," the bishops promised to contribute as much as $1.5 million to the campaign.[329] Six influential Grand Rapids area pastors also endorsed the proposal: the Reverends Moses Alexander, Arthur Bailey, Dave Deters, David Gray, Robert Thurmond, and John Vega. Unfortunately, the Council of Baptist Pastors of Detroit and Vicinity urged its members' congregations to vote against Kids First! Yes! Other opponents included teachers unions, Governor Engler, U.S. Senator Spencer Abraham (R), and former Governor James Blanchard (D).[330] Two of the three state Board of Education candidates also opposed the measure. Terry Lynn Land was the only candidate who supported the idea as a way to help children in failing schools.[331]

Ultimately, despite the endorsements of such high-ranking public servants as former U.S. Secretary of Education William Bennett, U.S. Representatives J.C. Watts (R–OK) and John Kasich (R–OH), U.S. Senator John McCain (R–AZ), Milwaukee Mayor John Norquist (D), and Wisconsin Governor Tommy Thompson (R), Proposal 1 was defeated by a margin of more than 2 to 1 on November 7, 2000.[332]

Nevertheless, voucher supporters are considering another try in 2002, encouraged that they won one-third of the vote. As Kids First! Yes! spokesman Greg McNeilly explained, "[November 7] was not an end; it was a beginning. 2002 is just less than a thousand days away; and that's where we're focused."[333]

Two weeks after the defeat, Detroit Cardinal Adam Maida challenged opponents to offer their own solution for improving education and accused teachers unions and school boards of voting for their jobs over the well-being of students. He called for a dialogue between voucher supporters and opponents on how to improve a flawed public school system in which seven districts, including Detroit, graduated less than two-thirds of their students in 1999.[334]

In July 2000, the office of the Secretary of State concluded that three school districts had violated the state's election laws by distributing to parents materials sternly opposing the November voucher initiative. The office warned all of the state's districts to abide by the ruling.[335]

Despite the state cap on charter schools that limits the maximum number chartered by universities to 150 schools, charter school enrollment is expected to rise 15 percent to more than 57,000. Due to strong demand by parents and swelling waiting lists, existing charter schools are adding classes; almost every school that is eligible to add a grade has requested permission to do so.[336]

David Brandon, Chairman and CEO of Domino's Pizza, accepted a position with the Michigan School Board Leaders Association (MSBLA) in 2000. The association is calling for stronger efforts to improve educational opportunities in the state. Founded in 1999, the MSBLA is comprised of charter, private, and traditional public school board members who embrace competition in education and an end to the battles between the various forms of education.[337]

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[328] Michael Cardman, "Michigan: School Vouchers Popular in Newspaper Poll," *Education Daily*, January 21, 2000.

[329] Cecil Angel, "Bishops Pitch School Vouchers," *The Detroit Free Press*, June 28, 2000.

[330] Peggy Walsh-Sarnecki, "Pastors Won't Back Vouchers," *The Detroit Free Press*, October 14, 2000.

[331] Patti Brandt, "State Board of Education Candidates Split on Vouchers," *The Bay City Times*, October 25, 2000.

[332] Peggy Walsh-Sarnecki and Tina Lam, "Reform Effort Soundly Beaten," *The Detroit Free Press*, November 8, 2000.

[333] Gannett News Service, "School Voucher Boosters Unbowed," *The Arizona Republic*, November 9, 2000.

[334] Alexa Capeloto, "Maida Seeks New School Effort," *The Detroit Free Press*, November 21, 2000.

[335] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 7 (2000).

[336] Associated Press, "Charter School Enrollment Shooting up Despite State Cap," *The Detroit Free Press*, July 28, 2000.

[337] Lori Yaklin, Michigan School Board Leaders Association press release, July 14, 2000.

A 2000 independent study of school choice concluded that even the limited parental choice made possible by charter schools gives Michigan school districts an incentive to improve. Reform has been spurred in almost every school district in which charters are present, even though they have the space to accommodate only about 5 percent of Michigan's students. The study recommends the expansion of parental choice in education, thereby "increasing the positive impact competition is having on Michigan public schools."[338]

Dearborn public schools are demonstrating the benefits of competition. Michigan has the third-highest number of charter schools in the nation, yet the Dearborn district has only three charter schools. District public school enrollment grew from 14,229 in 1994 to an estimated 17,000 by the fall of 2000. Dearborn superintendent Jeremy Hughes revamped district schools to include specialized programs that satisfy the diverse preferences of parents and students. The reason, he said, was "to diversify, not so much to put charter schools out of business but to have some decent competition."[339]

Detroit's enrollment has been declining, with more than 15,000 students in 1994–1999 leaving to attend charter or private schools. This led the Detroit public school system in 2000 to consider hiring Edison Schools, a private education management company based in New York, to run as many as 40 to 45 of its worst schools.[340] The Pontiac district lost more than 400 students to other districts through the state's Schools of Choice program. Another 500 have left for the three charter schools that had opened since 1997.

Looking at the past five years of state testing data from 171 charter schools, researchers with Western Michigan University's Evaluation Center found in 2000 that their students trailed regular public school peers in reading, writing, science, and math. Charter students showed generally less improvement in test scores over time when compared with public school students in their host districts. Dan Quisenberry, president of the Michigan Association of Public School Academies in Lansing and a supporter of charter schools, expressed reservations about the study's research methods regarding student achievement. For example, he pointed out that the study did not differentiate between students who had just enrolled in charter schools and students who had been enrolled for a while.[341]

Detroit Public Schools CEO Kenneth Burnley implemented a plan to tie academic performance to school principals, making them more accountable. Under this plan, the principals would have to establish academic improvement plans for assuring their students meet learning goals within nine years. The plan is intended to reward good principals, weed out bad ones, and improve pay to attract better replacements. Burnley's plan would cost about $4 million its first year. Even though the state had a $30 million surplus, the Detroit system expected to lose about $9.8 million in annual state funding as enrollment declined.[342]

Meanwhile, private efforts to help low-income students escape failing public schools abound. CEO (Children's Educational Opportunities) Michigan has been awarding scholarships to low-income students since 1991. In 1998, the entire state of Michigan was named one of 40 "partner" communities of the Children's Scholarship Fund (CSF), a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton. In partnership with CEO Michigan, the CSF raised $15 million from Michigan residents to fund approximately 3,750 private scholarships for low-income students to attend a school of choice. A computer-generated lottery in April 1999 awarded 3,750 minimum four-year scholarships from among 63,000 children going into grades K–8.[343]

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[338] Matthew Ladner and Matthew Brouillette, "The Impact of Limited School Choice on Public School Districts," *A Mackinac Center Report*, August 2000.

[339] Steve Pardo, "Dearborn Schools Competitive," *The Detroit News*, August 11, 2000.

[340] Peggy Walsh-Sarnecki, James Hill, and Mary Owen, "City Schools May Hire Firm as Manager," *The Detroit Free Press*, August 30, 2000.

[341] Peggy Walsh-Sarnecki, "School Improvements Tied to Principals," *The Detroit Free Press*, December 21, 2000.

[342] Darcia Harris Bowman, "Michigan Charter Schools Scoring Lower," *Education Week*, November 15, 2000.

[343] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

Developments in 2001

Parents and taxpayers in Michigan can examine an on-line evaluation of each school district, including student test results, spending, return on resources, finances and debt, and more.[344]

This year, more than 26,000 Michigan students enrolled in schools outside their own districts, according to the Michigan Department of Education. This is three times the number that did so four years ago when the state passed the Schools of Choice law. Parents' reasons vary, from dissatisfaction with their children's home districts and wanting their children to be in schools closer to where they work to unusual programs available in other districts.[345] The law was recently amended to allow students the option of transferring within adjoining counties.

Detroit Public Schools CEO Kenneth Burnley announced that the system may privatize more than a dozen of its worst schools by fall 2002, and sought applications for managing 13 schools.[346] By late March, the system decided otherwise, at least for the time being. Burnley agreed to give the Detroit Federation of Teachers a chance to come up with ideas to improve school performance before bringing in a private management company.[347]

In February 2001, Michigan Association of Public Schools president Dan Quisenberry informed a state Senate committee that educational options, including charter schools, are key to good schooling. The group wants to lift the existing cap on charter schools.

The state's charter school association adopted a resolution supporting rigorous academic accountability and improved student achievement information.[348] Governor John Engler's effort to lift the cap on the number of schools that may be chartered in the state by universities stalled through two legislative sessions.

Michigan law permits universities to charter 150 charter schools, but that limit was reached in 1999. There is no cap on the number of charters that can be authorized by school districts or community colleges.[349] New legislation would gradually increase the number of university-charted schools in Michigan over the next four years. The bill would increase the number of charter schools by 50 to 200 this year, 50 more in 2002, and another 25 in 2003 and again in 2004. The legislation is similar to a measure that stalled last year. It includes teacher certification requirements and would limit the construction of charter schools in the Detroit district to 10 percent of all new charter schools between 2001 and 2004.[350]

A college run by American Indian Tribes has decided to authorize two charter schools, though the college's president, Martha McLeod, said that it would do so cautiously. The schools would enroll students of any background and have no special curriculum geared to American Indians. Michigan's charter school law explicitly allows a federally financed, tribally controlled college to act as a chartering authority.[351]

In Grand Rapids, charter schools are having an unintended effect. The schools are tuition-free, so many families are transferring their children from expensive parochial schools to new charter schools. In the past five years, Grand Rapids Christian Schools have lost 22 percent of their enrollment, while Catholic schools have lost 10 percent. Changing demographics have also been cited as a possible cause.[352]

Nine charter schools, the recipients of the state's "Golden Apple" award this year, were touted as the highest achieving and most improved elementary schools based on state MEAP test scores.[353] Students at the White Pine Academy charter school who took the Terra Nova Achievement test in fall 1998 and again in spring 2000 gained 1.83 academic years. Students who tested below the national average in fall 1998 were well above the national average by spring 2000 in nearly all grades.[354]

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[344] For Michigan's school report card, see *www.mde.state.mi.us/reports/msr*.

[345] Julie Ross and Peggy Walsh-Sarnecki, "Schools of Choice: Crossovers Reach 26,000; 1996 State Law Forced Competition," *Detroit Free Press*, January 23, 2001.

[346] Julie Ross, "Detroit Schools Ask Help of Firms; Privatization is Sought for the City's 13 Worst," *The Detroit Free Press*, February 3, 2001.

[347] Peggy Walsh-Sarnecki, "Schools Put Off Talk of Privatization," *The Detroit Free Press*, March 27, 2001.

[348] Center for Education Reform Newswire, June 5, 2001; see *www.edreform.com*.

[349] Tribune News Services, "More Charter Schools Urged," *The Chicago Tribune*, February 8, 2001.

[350] Associated Press, "Charter School Cap May Grow," *The Detroit News*, June 4, 2001.

[351] Bess Keller, "College's Chartering of Schools Upsets Cap in Michigan, *Education Week*, March 14, 2001.

[352] Cami Reister, "Stiff Competition: Private Religious Schools Battle Demographics, Charters to Survive," *Grand Rapids Press*, February 18, 2001.

State Representative Michael Switalski (D–Macomb) sponsored legislation this year to force home-schoolers to take the state assessment test and another bill to impose other new regulations on them. H.B. 4830 would require parents to notify the local or intermediate superintendent of their intent to home school a child at the beginning of each school year by reporting the name and age of each child, the name and address of the child's parents, and the number or name of the school district and county in which the family resides. Representative Wayne Kuypers (R–Ottawa), chairman of the House Education Committee, said he would not allow the bill to be heard or pass out of his committee.[355] No action was taken.

Position of the Governor / Composition of the State Legislature

Governor John Engler, a Republican, is one of the strongest advocates of public school choice and charter schools. However, he did not support the Kids First! Yes! voucher proposal. Both houses of the legislature are controlled by Republicans.

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[353] Center for Education Reform Newswire, May 2, 2001; see *www.edreform.com.*

[354] *Ibid.*

[355] Home School Legal Defense Association News, June 15, 2001; see *www.hslda.org.*

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MINNESOTA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1991, amended 1997, 1999
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 75
  Number of students enrolled in charter schools (fall 2000): 9,411
- Publicly funded private school choice: Yes (Income tax credits and deductions)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 2nd out of 50 states

K-12 Public Schools and Students (2000–2001)

- Public school enrollment: 869,043
- Number of schools (1998–1999): 2,054
- Current expenditures: $6,084,334,000
- Current per-pupil expenditure: $7,830
- Amount of revenue from the federal government: 4.8%
- Evaluation of school performance: Report card

K-12 Public School Teachers (2000–2001)

- Number of teachers: 57,330
- Average salary: $40,577
- Students enrolled per teacher: 15.2
- Largest teachers union: Education Minnesota (affiliated with both the NEA and AFT)

K-12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Minnesota Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	8% (6%)	2% (2%)	3% (2%)	6% (4%)	3% (3%)
Proficient	(24%)	28% (23%)	35% (28%)	26% (18%)	28% (19%)	34% (24%)
Basic	(31%)	33% (31%)	44% (41%)	47% (42%)	41% (38%)	35% (33%)
Below Basic	(37%)	31% (39%)	19% (28%)	24% (38%)	25% (39%)	28% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 3rd out of 26 states

Background

Minnesota has led the United States in school choice activity, enacting the nation's first charter school law and later a tax deduction for educational expenses. Since the 1950s, Minnesota has permitted families with children to claim a tax deduction for the cost of tuition, transportation, textbooks, and other supplies, even if the child attends a private or parochial school, or is home schooled. The maximum annual deduction for students in the 7th through 12th grades was $1,000.

Minnesota became the first state to enact statewide open enrollment for all students in 1988. All districts are open to any student in the state as long as space is available. The state also offers a "second chance" program to children who are deficient in basic skills or who have a history of personal or disciplinary problems. A High School Graduation Incentives Program allows these students to attend either a public school or one of several private schools operating under contract with the school districts. Because state revenues follow students, families can select schools designed to deal with their children's specific problems.

In 1985, Minnesota became the first state to permit high school students to enroll in local college courses and receive both high school and higher education credit. A share of the money allocated for their high school course work follows them to the college. To meet this competition, local high schools have doubled their advanced placement (AP) course offerings.

Minnesota's 1991Charter Schools Act permits teachers to create and operate up to eight new charter schools. In 1997, the legislature lifted the cap, allocated a $50,000 start-up fund and lease aids, and authorized private colleges to sponsor charter schools. Charter schools also now may lease classroom space from religious organizations. The latest results on the state's 8th grade basic skills tests show double-digit gains for several of the state's charter schools.[356]

Over half of Minnesota's charter schools target low-income, at-risk, or physically and mentally handicapped students. City Academy in St. Paul—the country's first charter school—was established to meet the growing need for academic programming designed to return alienated young adults to productive and responsible roles within the community. Students typically are between the ages of 16 and 21 and have experienced combinations of academic failure, poverty, chemical dependency, violent or delinquent behavior, and physical or sexual abuse. After five years, City Academy had graduated about 90 percent of its seniors.

A survey of charter school parents conducted by the Minnesota House research department in 1994 indicated a high degree of satisfaction with the schools. Most of the parents surveyed listed curriculum and school features as reasons for choosing charter schools. They also liked the smaller classrooms and the school environment. The survey showed that parents generally were satisfied with the teachers in charter schools and with the positive academic effects on their children.

From 1993 until 1997, the Minneapolis School Board contracted out management of its school system to Public Strategies Group, Inc., a St. Paul–based private consulting firm, to increase the academic achievement of students. The firm managed the district's 80 schools and 14 contracted school programs with a $400 million budget, and was to be paid only if it met specific goals negotiated each year with the city school board. When the contract came to a close at the end of the 1996–1997 school year, PSG had achieved 70 percent of its targeted goals. Since then, achievement has continued to improve.

In January 1998, benefactors Ron and Laurie Eibensteiner pledged $1 million over 10 years to establish the KidsFirst Scholarship Fund of Minnesota to enable low-income students in Minneapolis and St. Paul to attend a school of choice. Recipients entering the 1st through 4th grades in the fall of 1998 received 75 percent of their tuition expenses, up to $1,200 per child, for three years. For the 1999–2000 school year, the eligibility requirements were expanded to include children living in the seven-county metropolitan area. The income ceiling for eligible families was raised to a maximum of $41,125 for a family of four, and scholarships were made available for children in kindergarten through 6th grade. Up to 25 percent of the total scholarships awarded in the 1999–2000 school year were available to children already in private school.

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[356] Allie Shah, "Charter School Scores Add Momentum to Movement," *Minneapolis Star Tribune*, April 27, 2000.

In 1998, Governor Arne Carlson, a Republican, signed a bill to create residential academies for disadvantaged children in the 4th through 12th grades. Grants are made to public and public–private cooperating organizations to cover start-up and capital costs. The program is available by choice and can serve up to 900 children.[357]

Thanks to Governor Carlson's efforts, the legislature approved a school funding bill in 1997 to increase the tax deduction for education expenses from $650 to $1,625 per child in grades K–6 and $1,000 to $2,500 for children in grades 7–12. The legislation expanded the list of deductible expenses to include academic summer school and camps, tutoring, personal computer hardware, and educational software. It also gives families with annual incomes of $33,500 or less a refundable education tax credit of $1,000 per child, with a maximum of $2,000 per family. The tax credit applies to all items that qualify for the deduction except tuition. It expanded the Working Family Tax Credit to provide an average tax credit increase of $200 to $350 for families making $29,000 or less.

In 1999, the legislature again expanded the education tax credit by raising the household income limit for eligibility from $33,500 to $37,500, which makes over 30,000 additional middle-class families eligible for the program. The expansion included a phasing out of the tax credit so that families would not be penalized for modest increases in earnings. The legislation also ensured that custodial parents are eligible for the tax credit and/or deduction. The Department of Revenue reported that 38,500 low-income families claimed the education tax credit in 1998 (the first year it was available) and estimated that an additional 150,000 families benefited from the tax deduction.

After most of the 1999 state income tax forms were processed, the Department of Revenue reported that almost 55,000 families had claimed the education tax credit the second year it was available. Low- and middle-income families use the funds to pay for piano lessons, after-school tutors, and summer language camps. The total amount refunded to parents surpassed $20 million last year. Unfortunately, a lack of publicity and complicated rules keep participation low: Just over one out of every four families eligible for the tax credit is using it. Supporters point to the 40 percent increase in participation since the first year to predict that, given time, the program will reach its full potential.[358]

The legislature passed a bill in 1999 to improve the already strong charter law. The law added $3 million in start-up funds and $6 million in funds for help with leases and other building expenses, and allowed cooperatives to sponsor charter schools for the first time.

The forced closing of a St. Paul charter school led the Minnesota Association of Charter Schools to develop a membership code of ethics and shift its advocacy strategy to encourage closer ties between the schools and their sponsors. While charter school advocates embrace accountability, they do not want the charter movement to be measured by one failure.[359] School closure, by design, is the ultimate form of holding schools accountable for performance. But supporters now see the need for establishing a transition plan should a school be forced to close. Jon Schroeder, director of the St. Paul-based Charter Friends National Network, describes this debate as "evidence of a maturing system."[360]

Minneapolis and St. Paul became two of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, in partnership with KidsFirst Scholarship Fund of Minnesota, matches funds raised by residents of the twin cities to support approximately 1,500 private scholarships for low-income students to attend a school of choice. A lottery in April 1999 determined who would receive the minimum four-year scholarships for children entering kindergarten through 6th grade.[361] The first 1,000 recipients were selected randomly by computer-generated lottery from 4,541 applicants.

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[357] Jeanne Allen, "Reform News: A Week in Review," Center for Education Reform *Fax Alert*, April 24, 1998.

[358] Morgan Brown, Partnership for Choice in Education Memorandum, July 28, 2000.

[359] Kristina Torres, "Charter School Group Wants Closer Ties with Sponsors," *St. Paul Pioneer Planet*, July 17, 2000.

[360] Kristina Torres, "When Charter Schools Fail, Where Do Children Go?" *St. Paul Pioneer Planet*, August 14, 2000.

[361] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

Developments in 2001

Suburban districts have received about 300 applications from Minneapolis students under "The Choice Is Yours" program, a voluntary desegregation program that resulted from a bitter legal dispute between the Minneapolis branch of the NAACP and the state. In the lawsuit, the NAACP argued that certain state practices concentrated poverty in the city, making it impossible for Minneapolis schools to give all students an adequate education as guaranteed under the state constitution. The settlement offers Minneapolis families living in poverty more access to the city's magnet programs and the suburban schools. The state will pay to bus children to the schools of their parents' choice.[362]

In February 2001, Representative Matt Entenza (D–St. Paul) said that Minnesota's charter school movement will fail unless the state requires tighter financial oversight. After reviewing the records of more than 50 charter schools, he released a long list of financial problems, including excessive compensation of management companies; unfair leases on school buildings and equipment; conflicts of interests among board members, managers, and employees; and negligent financial supervision. Entenza believes that, to succeed, charter schools must master both educational and business practices.[363]

In March, Representative Entenza announced that he would call for criminal investigations and indictments against several charter school leaders. He will introduce a bill to close some of the loopholes he sees in the charter school law.[364] Shortly after Entenza's announcement, one of the four charter schools accused of financial misdeeds notified the state that it will close. Officials at the PEAKS charter school, however, said that Entenza's allegations of fraud, forgery, and obstruction of justice caused a bank to deny the school credit of up to $35,000 that would have allowed it to remain open.[365]

Some Minnesota policymakers are questioning how much autonomy charter schools should have, and some districts are putting the brakes on sponsoring new ones. Charter schools in the state have enjoyed relatively light regulation and broad political support, which has allowed them to multiply at a rapid rate. That was before two St. Paul schools lost their charters last year because of financial mismanagement. Of the more than 2,000 charter schools that have opened nationwide since 1992, only about 4 percent, have closed, according to a recent report by the Center for Education Reform.[366] Charter supporters argue that the low number of closings in Minnesota and elsewhere suggests that most schools are working and are being held accountable for performance—especially compared with regular public schools that rarely face being shut down.[367]

A year and a half after placing 11 underperforming St. Paul schools on probation, district officials say there is evidence of improvement, from higher test scores to better teacher quality. District officials said they would not add schools to or remove them from the probationary list until August 2001, after the results of the spring 2001 Metropolitan Achievement Tests are in hand.[368]

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[362] Allie Shah, "Interest Growing in Expanded School-Choice Program," *Minneapolis Star Tribune*, January 19, 2001.

[363] Dushesne Paul Drew and Anthony Lonetree, "Financial Violations Threaten Charter Schools, Legislator's Study finds," *Minneapolis Star Tribune*, February 7, 2001.

[364] Duchesne Paul Drew, "Entenza to Call For Criminal Indictments of Charter School Leaders," *Minneapolis Star Tribune*, March 7, 2001.

[365] Kristina Torres, "Charter School Says Charges Have Forced It to Close Doors," St. Paul *Pioneer Planet*, March 13, 2001.

[366] Jeanne Allen and John Kraman, "Closures: the Opportunity for Accountability," Center for Education Reform, January 2001. See *www.edreform.com/pubs/cs_closures.htm#**.

[367] Darcia Harris Bowman, "Charter Closings Come Under Scrutiny," *Education Week*, February 28, 2001.

[368] Lucy Her, "St. Paul Schools on Probation Making Progress," *Minneapolis Star Tribune*, March 7, 2001.

Position of the Governor / Composition of the State Legislature

Governor Jesse Ventura, a member of the Independence Party of Minnesota, is a strong advocate of public schools. He does not support vouchers,[369] but his administration has promoted the current education tax credit and deduction program initiated by former Governor Arne Carlson, a Republican. The Minnesota House is controlled by Republicans; the Senate is controlled by Democrats.

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[369] Rochelle Olson, "Candidates Push Public Education Proposal," Associated Press, October 11, 1998.

MISSISSIPPI

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited
- Charter school law: Established 1997
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 1
  Number of students enrolled in charter schools (fall 2000): 334
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 34th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 499,820
- Number of schools (1998–1999): 874
- Current expenditures: $2,429,367,000
- Current per-pupil expenditure: $4,860
- Amount of revenue from the federal government: 13.8%
- Evaluation of school performance: No report card or ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 30,732
- Average salary: $32,957
- Students enrolled per teacher: 16.3
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Mississippi Student Performance	**(National) 2000 Reading**	**State (National) 1998 Reading**		**State (National) 1996 Math**		**State (National) 1996 Science**
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	3% (6%)	1% (2%)	0% (2%)	0% (4%)	1% (3%)
Proficient	(24%)	15% (23%)	18% (28%)	8% (18%)	7% (19%)	11% (24%)
Basic	(31%)	30% (31%)	42% (41%)	34% (42%)	29% (38%)	27% (33%)
Below Basic	(37%)	52% (39%)	39% (28%)	58% (38%)	64% (39%)	61% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 26th out of 26 states

Background

Because he had made school choice a major issue in his successful 1991 campaign, then-Governor Kirk Fordice, a Republican, appointed a task force in 1992 to look into options for school reform. Based on the task force report, he proposed a ballot initiative—the People's Right to Initiate Model Education (PRIME) Act—to enable citizens to propose changes in school management policies to their local school board. If the board rejects their recommendations, the issue can be submitted (with the requisite number of proper signatures) directly to the voters. Local school boards could propose and implement recommendations at the local level. The measure was not approved.

The 1997 legislature enacted a pilot charter school program to set up one charter school in each of the five districts and a school in the Delta region. To date, only one charter school has opened.

Two measures to establish voucher programs introduced in the state legislature in 2000 failed to progress.[370]

CEO Metro Jackson began providing private scholarships to disadvantaged students to attend a school of choice in 1995. In 1998, Jackson became one of 40 "partner cities" of the Children's Scholarship Fund (CSF), a $100 million foundation that matches funds raised by residents and CEO Metro Jackson. The approximately 400 private scholarships would enable low-income students to attend a school of choice. A lottery held in April 1999 awarded the minimum four-year scholarships to children entering kindergarten through 8th grade the following year.[371] The 325 recipients in Jackson were selected in a computer-generated lottery from 4,698 applicants.

Developments in 2001

In January 2001, Mississippi House Education Chairman Joe Warren introduced legislation to expand the number of chartering authorities and permit the creation of new charter schools (current law only allowed existing public schools to convert to charter status). For the first time, the proposal addressed transportation (provided by the state), governance, and start-up assistance by creating a state revolving loan fund.[372]

The legislature introduced two separate bills to require the state Department of Education to create a voucher program. H.B. 71 would provide vouchers of up to $3,350 and H.B. 1398 would provide vouchers of up to $2,500. Both bills died in committee.[373]

Position of the Governor / Composition of the State Legislature

Governor Ronnie Musgrove, a Democrat, does not support school vouchers. Both houses of the legislature are controlled by Democrats.

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370. Education Commission of the States Web site at *www.ecs.org*.

371. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*

372. Center for Education Reform Newswire, January 10, 2001; see *www.edreform.com*.

373. National School Board Association, *www.nsba/novouchers.org*.

MISSOURI

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1998
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 24
  Number of students enrolled in charter schools (fall 2000): 5,782
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 19th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 904,085
- Number of schools (1998–1999): 2,221
- Current expenditures: $5,539,061,000
- Current per-pupil expenditure: $6,127
- Amount of revenue from the federal government: 7.1%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 64,447
- Average salary: $36,764
- Students enrolled per teacher: 14.0
- Largest teachers union: Missouri State Teachers Association (independent)

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Missouri Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	2% (4%)	2% (3%)
Proficient	(24%)	24% (23%)	28% (28%)	19% (18%)	20% (19%)	26% (24%)
Basic	(31%)	34% (31%)	47% (41%)	46% (42%)	42% (38%)	36% (33%)
Below Basic	(37%)	37% (39%)	24% (28%)	34% (38%)	36% (39%)	36% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 6th out of 26 states

Background

In 1994, the U.S. Supreme Court agreed, following a decision by U.S. District Court Judge Russell A. Clark, to review for a third time the massive desegregation plan implemented in Kansas City. The high court accepted an appeal by the state, which had been forced to bear much of the cost of this plan. The issue was whether a desegregating school district must provide equal educational opportunity and, at the same time, improve student performance and test scores before judicial supervision can be concluded.

In June 1995, in a 5 to 4 decision, the U.S. Supreme Court ruled that equal outcomes are an inappropriate standard. This was a partial victory for the state. The Court did not determine the point at which Judge Clark's supervision of the district should be terminated, only that it should end. Chief Justice William Rehnquist, writing for the majority, held that, "among other things, Judge Clark had exceeded his authority in ordering some kinds of spending."[374] The district court agreed to a settlement proposal that would end state funding for the desegregation effort by 1999. Judge Clark subsequently asked that supervision of the case be reassigned. It was assigned to Judge Dean Whipple.

After this decision, the state Board of Education voted to strip the Kansas City school district of its accreditation following the 1999–2000 school year. The school district sought an order from Judge Whipple preventing the state board from taking action, but in a surprise ruling, he rejected that request and dismissed the entire school desegregation case after more than 23 years of court intervention. The district and the plaintiffs appealed that ruling to the Eighth Circuit Court of Appeals, which overturned Judge Whipple's decision and placed U.S. District Judge Fernando Gaitan in charge of the case.

In January 1998, State Representative Rich Chrismer (R–16) introduced the Challenge Scholarships bill (H.B. 1472), to fund scholarships of $2,500 to $3,000 for children in families whose incomes are up to 200 percent of the poverty line. The scholarships could be redeemed at a school of choice or for tutoring expenses in kindergarten through 12th grade; they applied only to the areas under desegregation orders, Kansas City and St. Louis. The bill failed to pass.

The legislature passed a bill in 1998 that would permit the establishment of charter schools in the St. Louis and Kansas City school districts. The charters would be operated only by the local school board or a local college or university with an approved teacher education program that meets regional or national standards of accreditation.[375]

In the Kansas City area, 15 charter schools attracted about 10 percent of the district's enrollment. In St. Louis, opponents of charter schools who sought to have the state charter school law invalidated were rebuffed in 1999.[376]

A lawsuit by the Missouri School Boards Association challenging the state's charter law was dismissed by a judge in early January 2000.

To respond to the educational problems facing the St. Louis and Kansas City school districts, legislators introduced a bill (H.B. 1373) to establish a pilot voucher program in school districts that are or have been under a federal desegregation order. The bill failed.[377] Other efforts focused on tax relief and incentive initiatives, such as tax credits for individuals and businesses that make contributions to scholarship charities.

Senator Harry Wiggins (D–Kansas City) introduced S.B. 531 to establish a state tax credit for contributions to authorized scholarship charities in 2000. Qualifying organizations must be a non-profit 501(c)(3) and must allocate at least 90 percent of its annual revenue for educational scholarships to children at qualified schools. The credit may be claimed, for all taxable years beginning on or after January 1, 2001, in an amount equal to 50 percent of the contribution to the charity, but not exceeding $50,000 per taxable year for any taxpayer. The non-refundable credit could be carried over for up to four succeeding taxable years. The cumulative amount of all scholarship charity tax credits would be limited to $5 million per fiscal year. The Director of Revenue would be authorized to allocate the tax credits as necessary to ensure their maximum use.

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[374] Fax correspondence from the Missouri Department of Elementary and Secondary Education, December 22, 1998.

[375] Angela Dale and David DeSchryver, eds., *The Charter School Workbook: Your Roadmap to the Charter School Movement* (Washington, D.C.: Center for Education Reform, 1997). Updates available at *www.edreform.com/pubs/chglance.htm*.

[376] Correspondence from Pete Hutchison, Landmark Legal Foundation, January 19, 2000.

[377] See National School Board Association at *www.nsba.org/novouchers*.

Senator Anita Yeckel (R–St. Louis) introduced S.B. 592 to authorize, for taxable years beginning on or after January 1, 2000, a state income tax credit for cash contributions, not to exceed $500 per year, to a school tuition organization. These are defined as charitable organizations exempt from paying federal income tax that allocate at least 90 percent of annual revenue to educational scholarships or tuition grants for children. The credit may be carried forward for up to five years but would not be allowed if the contribution is part of the taxpayer's itemized deductions on the state income tax return for that taxable year.

Senator Steve Ehlmann (R–St. Charles) introduced S.B. 656 to establish a state income tax credit for donations to scholarship charities: tax-exempt charitable organizations that allocate at least 90 percent of annual revenue to scholarships for children to allow them to attend a public or non-discriminatory private elementary or secondary school. The credit would not be refundable but may be carried forward and applied to future tax liabilities for up to four years. The total annual amount of credits would be limited to $20 million. The director of the Department of Economic Development would determine which organizations qualify. Credits would be allocated equally at the beginning of each year to scholarship charities, and those not used by a date determined by the director may be reallocated by the director to ensure that the maximum amount of credits is used each year.

A tuition deduction plan introduced by Senator John Schneider (D–Florisant) would have offered a $2,500 state income tax deduction for high school tuition and other high school expenses. The legislature also considered H.B. 1373, a pilot voucher program.[378]

On February 15, 2000, some 750 St. Louis students were given scholarships to escape poorly performing schools. The scholarships, which totaled $3.6 million, were made possible largely by retired St. Louis businessman Eugene Williams and his wife, and by David Farrell, a former chief executive of the May Company Department stores.

Kansas City schools Superintendent Benjamin Demps, Jr., said he wanted the private sector to take over more of the district's worst-performing schools to improve achievement and compete with charter schools. If the Board of Education approves, the district would join about 200 schools with about 100,000 students nationwide that already are operated by school-management companies.[379] Just weeks after being approved, three St. Louis charter schools signed up more than 800 students for the coming school year.

Charter schools are also attracting teachers. Despite the fact that charter school teaching positions are non-union, untenured, and demand longer work days and school years for a salary competitive with area public schools, a large pool of qualified applicants emerged. In some cases, unadvertised positions were attracting at least three qualified applicants for each position.[380]

In May 2000, the Missouri Department of Elementary and Secondary Education declared the Kansas City school system unfit for academic accreditation. Education experts say the loss of accreditation in a school district of Kansas City's size is unprecedented. By refusing to accredit the district, the state is saying that Kansas City is failing to educate its children to minimum standards. In a city where the U.S. Eighth Circuit Court of Appeals had imposed a desegregation plan in 1977, 82 percent of public school students are minorities and more than 75 percent of students are eligible for free or reduced-price lunches. Despite spending of $8,125 per student per year, significantly more than the almost $6,200 national average, racial imbalances and academic shortcomings persist. The state surveyed 11 academic areas in the district, from student attendance and dropout rates to scores on reading tests; the schools failed in all 11 areas. The schools were given two years to achieve provisional accreditation by raising scores from the failing level.[381]

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[378] See Education Commission of the States Web site at *www.ecs.org*.

[379] Eric Palmer and Phillip O'Conner, "Questions Still Surround Privately Managed Public Schools," *The Kansas City Star*, March 11, 2000.

[380] Matthew Franck, "800 Students Are Enrolled in 3 Charter Schools in St. Louis," *St. Louis Post–Dispatch*, April 17, 2000, and Matthew Franck, "Teachers Line Up for Charter School Jobs, Despite No Unions or Tenure," *St. Louis Post–Dispatch*, May 17, 2000.

Preliminary enrollment figures suggest that about 45 percent of the city's charter school children—nearly 600 students—come from religious or independent schools. Elsewhere in the nation, about 11 percent of charter school students come from private schools. Some think this stems from the fact that the area's Catholic school enrollment rates are among the highest in the nation, and that they had attracted many parents with academic and safety concerns but no strong desire for religious instruction.[382]

St. Louis's charter schools are finding it difficult to attract special education teachers. Administrators say they enroll about the same percentage of special education students as do traditional public schools (rebutting the notion that charter schools serve only the most prepared students). Doug Thamen, principal of the St. Louis charter schools, is struck by the number of parents of special education students who share a discontent with the programs offered at traditional public schools. Because of the interest in the charter school option, some principals said they would probably have to turn to outside groups to provide the specialized instruction if teachers could not be found.[383]

With the backing of the St. Louis Police Officers Association, a group of police officers recruited former district superintendent Diana Bourisaw to help open a charter school. Police officers must live in the city, so many left the St. Louis force because of concerns over education. The school's founders hoped that a high-quality school will persuade more officers to stay in the city.[384]

The Missouri School Board recognized the St. Louis public schools for making some progress during 1999–2000, and voted in late 2000 to grant the district provisional accreditation. Although the district's status actually dropped a notch with the provisional rating, state board members said the rating indicated that the district was rebounding.[385]

Kansas City and St. Louis became two of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, matches funds raised by residents of Kansas City and St. Louis to award approximately 1,750 private four-year scholarships to low-income students to attend a school of choice. A lottery in April 1999 determined the recipients of the four-year scholarships for children entering kindergarten through 8th grade the following year.[386] The recipients were selected randomly by computer-generated lottery. In Kansas City, 1,250 scholarship recipients were chosen from 11,531 applicants; in St. Louis, 500 recipients were chosen from 9,686 applicants.

Developments in 2001

Several choice bills to give tax relief for contributions to scholarship programs and education expenses were introduced in 2001. S.B. 74, S.B. 576, and H.B. 906 propose tax credits of up to 50 percent of a contribution to any school or scholarship funding organization. No action was taken on the bills. S.B. 177 proposed a $2,500 income tax deduction for private secondary school expenses. The bill died in the Senate.[387]

A group of state senators plans to submit a bill calling for greater oversight of charter schools but not extensive regulation. State Senator Ted House (D–Lincoln), co-chairman of the Senate Education Committee, is working with other senators on a bill to tighten the reins on the experimental schools. The bill would essentially subject charter schools to the same scrutiny as public schools. Charter schools supporters say requiring the schools to conform to all state standards would negate their purpose, which is to test new approaches in education. Current law limits the schools to St. Louis and Kansas City. Senator House said he wanted to see how the schools fare before going statewide.[388]

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[381] Raad Cawthon, "The Failure of a School District," *The Philadelphia Inquirer*, April 24, 2000.

[382] Matthew Franck, "Religious, Independent Schools Here May Lose Students to Charter Schools," *The St. Louis Post–Dispatch*, July 19, 2000.

[383] Matthew Franck, "Charter Schools Have Difficulty Hiring Teachers for Special Education," *The St. Louis Post–Dispatch*, August 11, 2000.

[384] Matthew Franck, "Officers Hope to Organize Charter School," *The St. Louis Post–Dispatch*, November 2, 2000.

[385] Rick Pierce, "City Schools Win Provisional Accreditation from State Board," *The St. Louis Post–Dispatch*, October 24, 2000.

[386] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[387] See National School Board Association at *www.nsba.org/novouchers*.

In June, the state board approved tighter rules for sponsorship of charter schools. The new rules limit state-sponsored charters to groups that meet a unique educational niche, can show how they will improve achievement, and have an effective non-profit governing body. The rules are aimed at limiting for-profit educational management companies and are similar to those the St. Louis board uses to decide whether it will back a charter school. St. Louis so far has approved two schools. State officials, however, rejected three charter applications on appeal.[389]

Governor Bob Holden, a Democrat, vetoed crucial funding that would have supported a new charter school accountability system and underwritten monitoring and oversight of the Kansas City and St. Louis charter schools. The veto prevents new charter schools from being approved (even a union-supported charter school) and denies choice to hundreds of Missouri families.[390]

The St. Louis School Choice Scholarship Fund and the Elizabeth Lay Midlam Fund award vouchers of $1,500 per student annually for four years to 1,254 St. Louis children to use for private school tuition. In St. Louis, the scholarships have led to a migration of at least 600 public school students to private schools. However, a more modest drop-off is expected this year, with only 750 children receiving the awards.[391]

Position of the Governor / Composition of the State Legislature

Governor Bob Holden, a Democrat, opposes school choice and vouchers, but favors expanding the school accountability report card program in Missouri. The Missouri House is controlled by Democrats; the Senate is controlled by Republicans.

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[388] Matthew Franck, "Some Senators Want to Tighten State Regulation of Charter Schools," *The St. Louis Post–Dispatch*, January 30, 2001.

[389] Rick Pierce, "State Limits its Sponsorship of Charter Schools," *The St. Louis Post-Dispatch*, June 22, 2001.

[390] Center for Education Reform Newswire, July 3, 2001; see *www.edreform.com*.

[391] Matthew Frank, "Vouchers Draw Hundreds to Private Schools, Where Some Fail," *The St. Louis Post–Dispatch*, January 12, 2001.

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MONTANA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 37th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 155,860
- Number of schools (1998–1999): 886
- Current expenditures: $990,000,000
- Current per-pupil expenditure: $6,352
- Amount of revenue from the federal government: 11.1%
- Evaluation of school performance: N/A

K–12 Public School Teachers (2000–2001)

- Number of teachers: 10,297
- Average salary: $32,930
- Students enrolled per teacher: 15.1
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Montana Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	8% (6%)	2% (2%)	1% (2%)	5% (4%)	3% (3%)
Proficient	(24%)	29% (23%)	36% (28%)	21% (18%)	27% (19%)	38% (24%)
Basic	(31%)	36% (31%)	45% (41%)	49% (42%)	43% (38%)	36% (33%)
Below Basic	(37%)	27% (39%)	17% (28%)	29% (38%)	25% (39%)	23% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 4th out of 26 states

Background

Montana is one of only three states without any form of state-sponsored school choice. The state constitution's "Blaine Amendment" is said to ban vouchers that include religious schools, and other provisions are said to ban other forms of choice.

Teachers unions and the public school establishment are unusually powerful and well-funded in this very poor state. They have blocked all choice proposals despite substantial slippage in public school test levels. Charter school bills were defeated in the 1995 and 1999 legislatures; refundable tuition tax credits were defeated in 1993, 1995, 1997, and 1999; and a tuition tax deduction bill was killed in 1999. The state does not provide for public school choice, although some school districts do allow limited intradistrict choice.

A charter school bill (S.B. 370) was introduced during the 1995 legislative session to authorize the establishment of charter schools with approval of the trustees of a school district. The charters would be limited to 10 during a fiscal year, run for three-year terms, and be awarded only to non-sectarian schools. The bill was passed by the Senate in February 1995 but died in the House Education and Cultural Resources Committee the following month.

In 1999, a charter school bill (S.B. 204) was introduced by State Senator Tom Keatings (R–5), but tabled. The bill would have allowed any person, corporation, or group, including churches, to start a charter school whose employees would be exempt from the district's collective bargaining agreements. The bill met strong opposition in the Senate Education Committee and died.[392]

The Montana legislature met only briefly in special session in 2000. At that time, the legislature spent much of a projected budget surplus on higher public school funding, but did not address choice.[393]

Developments in 2001

Only one parental choice bill was introduced in 2001. State Representative Joe Balyeat (R–Bozeman) proposed H.B. 555 to phase in a tuition tax credit of up to $1,000 per child per year. Because of the way the credit was structured, the state would have realized financial savings, most of which could be used to increase teacher pay. The House taxation committee rejected the measure.[394]

Position of the Governor / Composition of the State Legislature

Governor Judy Martz, a Republican, has not proposed any form of choice and opposes any choice program that might reduce money flowing to the public schools. However, she is interested in promoting parental choice and exploring the options. She opposes changing the state constitution to permit vouchers. She does support giving school districts flexibility to set their own standards for teacher pay. Both houses of the legislature are controlled by Republicans.[395]

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[392] Kathleen McLaughlin, "Foes Say Charter Schools Legislation Dangerous," *The Missoulan*, February 2, 1999.

[393] E-mail correspondence from Rob Natelson, Professor of Law at the University of Montana, April 11, 2001.

[394] *Ibid.*

[395] *Ibid.*

NEBRASKA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 13th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 288,316
- Number of schools (1998–1999): 1,333 schools
- Current expenditures: $1,810,618,000
- Current per-pupil expenditure: $6,280
- Amount of revenue from the federal government: 4.9%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 20,721
- Average salary: $34,175
- Students enrolled per teacher: 13.9
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Montana Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	2% (2%)	5% (4%)	3% (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	22% (18%)	26% (19%)	32% (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	46% (42%)	45% (38%)	36% (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	30% (38%)	24% (39%)	29% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 5th out of 26 states

Background

In 1989, Nebraska became the fourth state to adopt an open enrollment law permitting parents to choose a school outside their district, subject to space and legal requirements for racial balance. Students are allowed to exercise this transfer option only once in their academic career (unless their family moves). The open enrollment law does not address choice of schools within district boundaries; each district is free to set its own policy. During the 1995 legislative session, a bill was introduced to amend the 1989 open enrollment law and place tougher admission requirements on students with disciplinary problems. It did not pass.

State funds for the transportation of students across district lines are available for all low-income children who qualify for free lunches under the National School Lunch Program. Parents of children who do not qualify must arrange for transportation to the receiving district line, and the receiving district will provide transportation from the district line to the school.

In 1999, State Senator Ardyce Bohlke, who chairs the Education Committee, introduced a voucher bill to help offset education-related expenses for low-income parents. The vouchers, which would be awarded to parents with children in private or parochial school, could be applied to tuition or textbook expenses. The value of the voucher would be based on the child's grade level and family income. Families that earn up to twice the federal poverty level would receive up to $3,000 for a student in grades K–6; up to $4,000 for a student in grades 7–8; and up to $5,000 for a student in grades 9–12. Families earning between two and four times the federal poverty level would receive vouchers for half these amounts. The program would be capped to those families at or below four times the federal poverty level.[396] This bill died in committee.

Omaha became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF is a $100 million foundation that matches the money raised by Omaha residents to fund approximately 500 private scholarships for low-income K–8 students to attend a school of choice.[397] On April 22, 1999, the CSF announced the 500 recipients of the minimum four-year scholarships, who were selected randomly in a computer-generated lottery from 3,584 applicants.

Developments in 2001

No developments were reported.

Position of the Governor / Composition of the State Legislature

Governor Mike Johanns, a Republican, supports school choice. He sees vouchers both as an experiment that could help to boost performance and as an intervention strategy for schools that fail to improve their performance.[398] Nebraska has a unicameral nonpartisan legislature.

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[396] The Friedman–Blum *Educational Freedom Report*, No. 70, April 23, 1999.

[397] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[398] See National Governors' Association Web site at *www.nga.org*.

NEVADA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited
- Charter school law: Established 1997
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 6
  Number of students enrolled in charter schools (fall 2000): 1,214
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 48th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 340,758
- Number of schools (1998–1999): 461
- Current expenditures: $1,828,123,000
- Current per-pupil expenditure: $5,597
- Amount of revenue from the federal government: 4.9%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 18,339
- Average salary: $40,172
- Students enrolled per teacher: 18.6
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Nevada Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	4% (6%)	1% (2%)	1% (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	17% (23%)	23% (28%)	13% (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	32% (31%)	45% (41%)	43% (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	47% (39%)	31% (28%)	43% (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 9th out of 26 states

Background

In 1997, the state enacted S.B. 220, a weak charter school bill to create up to 21 charters statewide, with a cap of no more than 12 per county. Its primary goal is the establishment of schools for at-risk students. It authorizes the formation of new charter schools only; existing private schools and certain public schools may not convert to charter schools. The bill allows:

- Two charter schools for every 75,000 students in counties with 400,000 or more residents;
- Two charter schools in counties with populations of between 100,000 and 400,000;
- One charter school in counties with fewer than 100,000 residents;
- Only county school boards to sponsor charter schools; and
- 25 percent of the teachers in a charter school to be unlicensed only if they possess certain skills and work under the direction of a licensed teacher.

In 2000, the Clark County school district considered bringing in a private company to manage one or more of its at-risk public schools, primarily in Las Vegas. In October 2000, two school board members attended the Edison Schools National Client Conference and reported favorably on the firm.[399] Edison Schools, based in New York, is the nation's largest for-profit manager of public schools.[400]

Developments in 2001

On March 22, 2001, the Clark County school board gave tentative approval to a proposal that would allow Edison Schools to take over operation of six elementary schools and one middle school in 2001–2002. Parents, principals, and teachers—not school administrators—would determine if their schools would be turned over to Edison, which promises higher test scores. Students would have a longer school day, and families would be given a personal computer for homework. Parents would be able to communicate daily with teachers by e-mail if necessary. Edison's program provides innovative teacher training and stimulates parental involvement to a degree not seen in public schools, and teachers are excited about it, said West Middle School principal Karen Williams.[401]

A bill that would authorize vouchers for low-income students in failing schools was introduced in the 2001 legislative session, but did not pass.[402]

Assembly Republicans accused Education Committee Chairman Wendell Williams (D–Las Vegas) of using amendments to a minor bill (S.B. 399) to gut Nevada's already weak charter school law. According to Assemblyman Bob Beers (R–Las Vegas), the amendment would prevent for-profit schools from operating as charter schools.

The voucher bill also mandated that the majority of members of the governing body of a charter school must be Nevada residents that have submitted to fingerprint and background checks. People convicted of crimes involving moral turpitude would not be allowed to serve on the boards. The bill, which has been referred to committee, sought to prevent anyone from converting an existing public, private, or home school into a charter school.[403]

Position of the Governor / Composition of the State Legislature

Governor Kenny Guinn, a Republican, supports local and parental control of education. He believes that a wider range of options for parents to educate their children will lead to more competitive schools to satisfy their demands. He also supports the establishment of charter schools.[404] The House is controlled by Democrats; the Senate is controlled by Republicans.

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399. Lisa Kim Bach, "Trustees Attend Conference: Edison Program for At-Risk Schools Studied," *The Las Vegas Review Journal*, October 19, 2000.

400. Lisa Kim Bach, "Private Company Could Run At-Risk Schools for District," *The Las Vegas Review Journal*, September 29, 2000.

401. Frank Geary, "Schools Allowed to Choose Edison Path," *The Las Vegas Review Journal*, March 17, 2001.

402. See National School Board Association at *www.nsba.org/novouchers*.

403. Ed Vogel, "Charter School Law Faces Gutting," *The Las Vegas Review Journal*, May 27, 2001.

404. See National Governors' Association Web site at *www.nga.org*.

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NEW HAMPSHIRE

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1995, amended 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 0
  Number of students enrolled (fall 2000): 0
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 16th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 210,611
- Number of schools (1998–1999): 516
- Current expenditures: $1,370,945,000
- Current per-pupil expenditure: $6,509
- Amount of revenue from the federal government: 4.0%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 14,052
- Average salary: $38,303
- Students enrolled per teacher: 15.0
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests New Hampshire Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	7% (6%)	N/A (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	31% (23%)	N/A (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	37% (31%)	N/A (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	25% (39%)	N/A (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): 4th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

After then-Senator Jim Rubens (R–5) had campaigned heavily to allow school districts to control education choices, both houses of the New Hampshire legislature passed the Act Relative to Charter Schools and Open Enrollment in 1995.

Under the law, two state-certified teachers, 10 parents, or a non-profit organization may propose a charter school addressing such elements as specialized curriculum needs, academic goals, annual budget, location of facilities, methods of assessment, and other details of operation. Charter schools would be exempt from major oversight by both state and local education authorities and would have full authority to oversee their own operations. Provisions in the law that relate to state funding are comparatively weak, however. Each charter school would receive 80 percent of the district's average expenditure per pupil; the remaining 20 percent would stay in the local public school system.

The charter school law capped the number of schools at 35 for the first five years, and limited districts to two charter schools. After 2000, the cap on the number of charter schools was eliminated.

The open enrollment provisions of the law allow districts to adopt public school choice at their annual school district meetings. The state, which has a tradition of local control, allows each district to decide whether to participate in an open enrollment program.

On June 23, 1997, Governor Jeanne Shaheen, a Democrat, signed S.B. 154 to amend the state's charter school law. Under this law, the state board may grant no more than 10 charter schools per year until July 2000, when the cap would be repealed. The location of a new charter school would not need to be determined until the town's ratification vote, and the board of trustees may acquire the property for a charter school before the school is established. The amendment clarified the calculation for providing funding to charter schools; it extended by two to three months the submission dates for applications and contracts, school board review, and state board review; and it allowed two or more school districts to consolidate their eligible resident pupils into one applicant pool for attendance at a designated charter or open enrollment school, with students to be chosen from this pool by an admissions lottery.

In 1997, a group of legislators drafted H.B. 2056, which would have enabled school districts to vote on reimbursing parents for public, private, or home-schooling tuition costs. A companion bill introduced by Senator Rubens—S.B. 456, which would have allowed five school districts to authorize school choice—was passed by a vote of 16 to 8 in the Senate but was defeated in the House.

In 1997, the New Hampshire Supreme Court ruled that unequal local property tax rates to fund education are unconstitutional and that the state has a duty to determine and then fund educational adequacy across the districts with a state tax. The court gave the legislature until April 1999 to craft a new, more equitable school financing system. The legislature (after missing the deadline) produced a plan that was rejected by the court in October 1999. A modified property tax plan was agreed upon a month later, but the issue of school finance is far from settled.

In 1999, the state also streamlined the approval process for charter schools by cutting the number of steps required for approval from four to two. The House Education Committee considered the School Choice Scholarship Act (H.B. 633), a bill introduced by Representative Marie Rabideau (R–16). The proposal would have provided state-funded scholarships to low- and middle-income families to reimburse them for educational expenditures. Scholarships would be limited to students whose parents make a maximum of 300 percent of the poverty line and who live in districts with schools that score in the bottom one-third on the state assessment tests, or who attend schools that do not meet the state's minimum standards.[405] The bill was approved in the House by a close vote of 172 to 171, but later was defeated in the Senate.

The entire state of New Hampshire was named one of the 40 "partner" communities of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton, matches the money raised by New Hampshire residents to fund between 300 and 400 private scholarships for low-income K–8 students to attend a school of choice.[406] On April 22, 1999, the CSF announced the recipients of the 250 minimum four-year scholarships who were selected in a computer-generated lottery from 3,086 applicants.

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[405] Correspondence from Jim Rubens of Think New Hampshire, March 9, 1999.

Developments in 2001

In January 2001, a New Hampshire judge struck down the state's school funding system in a ruling that could send the government scrambling to refund millions of dollars in taxes. The Superior Court judge called the two-year-old statewide property tax "constitutionally flawed" and ordered the state to return all the money collected since the tax was enacted in 1999. For over three years New Hampshire lawmakers have wrestled with the question of how to fund schools in a state that has no income or sales tax. Under the property tax, residents of 53 communities found themselves paying higher rates than the others.[407]

In early February, Governor Shaheen proposed New Hampshire's first broad-based sales tax. The 2.5 percent tax would take effect in July 2002 to help solve the state's school funding crisis and comply with a 1997 state Supreme Court order that the state, not local, government must pay for schools.[408] "The state must pay for the cost of an adequate education for every child in New Hampshire," declared the governor. The bill failed.

The 2001 legislature introduced H.B. 515, which proposes vouchers for low-income students in poor-performing schools. These "parental choice scholarships" could be used to attend a public or non-religious private school in or out of state. The voucher would be worth approximately 80 percent of the district per-pupil amount.[409] The bill passed the House as policy by eight votes, but has been retained in the House Finance Committee without action.[410] (In New Hampshire, bills that involve spending are required to go through both a policy committee and then a financial committee.)

Another bill, H.B.726, passed by the House as policy on a strong vote of 215 to 145. It allows the state Board of Education to grant two charters annually without requiring a local vote. In addition, a $250,000 fund was set up to assist with the state grants per student in the first two years.[411]

Private schools in New Hampshire are enjoying unprecedented demand, according to Bud Holmes Moore, former headmaster and chairman of the state's Non-Public School Advisory Council. Private school administrators attribute the flood of interest in their institutions to the state's changing demographics, the economy, overcrowding in the public schools, financial troubles, and "the general public's disillusionment and lack of confidence in the public school system."[412]

Position of the Governor / Composition of the State Legislature

Governor Jeanne Shaheen, a Democrat, opposes vouchers, but favors making schools more accountable for student performance. Both houses of the legislature are controlled by Republicans.

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[406] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[407] Clare Kittredge, "New Hampshire System of Funding its Schools is Rejected," *The Boston Globe*, January 18, 2001.

[408] Ralph Jimenez, "Sales Tax Proposed for New Hampshire Schools," *The Boston Globe*, February 8, 2001.

[409] See National School Board Association Web site at *www.nsba.org*.

[410] Correspondence with the office of New Hampshire Representative Russell Cox (R–24), April 18, 2001.

[411] *Ibid.*

[412] Clare Kittredge, "Private Schools Report Flood of Applications," *The Boston Globe*, April 8, 2001.

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NEW JERSEY

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1996
  Strength of law: Strong
  Number of charter schools (fall 2000): 62
  Number of students enrolled in charter schools (fall 2000): 13,518
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 4th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,268,336,000
- Number of schools (1998–1999): 2,317 schools
- Current expenditures: $12,553,111,000
- Current per-pupil expenditure: $9,897
- Amount of revenue from the federal government: 3.2%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 95,738
- Average salary: $53,281
- Students enrolled per teacher: 13.2
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests New Jersey Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	3% (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	22% (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	43% (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	32% (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): 11th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Some school districts in New Jersey offer inter-district public school choice. Parents are permitted to choose from among the state's schools; if a school is oversubscribed, students are accepted by lottery.

On January 11, 1996, then-Governor Christine Todd Whitman, a Republican, signed the country's 20th charter school law. Certified teachers, parents, or a combination of teachers and parents may establish charter schools. A charter also may be established by an institution of higher learning or by a private corporation located in New Jersey. Private or religious schools are not eligible to become charter schools. For a public school to convert to a charter school, 51 percent of its teaching staff and 51 percent of the parents must approve. Charters are granted for an initial four-year period and may be renewed for five-year periods. Charter schools that originally were not public schools are required by law to enroll the lesser of up to 500 pupils or 25 percent of the district's student body. Funding for the charter school equals 90 percent to 100 percent of per-pupil expenditure for the district in which the school is located. Transportation may be provided for students who reside in the district.

Among some of the law's weaker features are provisions relevant to the ability of religious schools to get a charter and the ability of a charter school to adopt its own teacher hiring practices. To gain the support of the New Jersey Education Association, legislators amended the bill to require public schools that become charter schools to hire only government-certified teachers and to guarantee them the same salaries and benefits as other public school teachers. The law took effect immediately after it was signed.

Governor Whitman also issued Executive Order No. 30 to create an Advisory Panel on School Vouchers. The panel, chaired by former Governor Thomas H. Kean, released its report on proposed school voucher legislation on January 3, 1996. The Kean panel found that:

- School tuition vouchers may serve as an appropriate vehicle for education reform because they give parents the ability to select schools and programs that best suit their children's individual educational needs.
- A limited pilot program should be established to allow children residing in an eligible district to attend a participating non-public or public school and pay tuition in full or in part with a tuition voucher.
- The amount of the tuition voucher should be no more than $2,500 for kindergarten through 8th grade and $3,500 for pupils in grades 9–12.
- Transportation should be provided for all students accepting a voucher, regardless of whether the school lies within or outside the student's residing district.
- A non-public school should be designated by the U.S. Department of Education as currently eligible to receive publicly funded services.

In 1997, the Lincoln Park School District board approved a plan to permit access by its high school students to other public or private schools. The decision was spurred by parents who, because Lincoln Park had no high school, must send their children to Boonton High School in a neighboring district. The program was challenged by the teachers union and others who alleged violations of the state constitution and statutes. Shortly after the state Commissioner of Education decided that the school board lacked the authority to create its school choice plan, a school board election was held in which a slate backed by the teachers union captured three seats formerly held by supporters of the plan. These new members joined two incumbents in voting down the plan (5 to 4), effectively ending the program and the controversy surrounding it.

In 1999, a voucher bill (A.B. 2320) was introduced in the New Jersey Assembly[413] to create a five-year pilot program that permits one public school in each county to become a choice school. The school would be open to all students, including those from other counties, and district schools would receive $7,200 in state funds for every out-of-town student they enrolled. If applications exceeded the space available, a lottery would determine which students could attend. An estimated 2,000 students could be enrolled in choice schools by the program's five-year mark, after which the program could be continued, expanded, or dissolved. The bill also would limit the growth of charter schools by capping the number of students a district can lose to choice or charter schools. A compromise exempting all existing and approved charter schools from the cap was added to the final version of the bill. Nevertheless, it failed to pass.

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[413] Nancy Parello, "School Choice Plan Advances; Some Districts Express Interest," Associated Press, January 21, 1999.

Also in 1999, a state appeals court rejected a series of legal claims that could have seriously hindered the growth of charter schools. In five separate rulings, the Appellate Division of the Superior Court dismissed legal challenges brought by public school officials in Highland Park, East Orange, Trenton, Matawan-Aberdeen, and Red Bank. The court rejected arguments that the state's charter schools adversely affect the quality of education, racial balance, and the financial condition of existing public schools.

In late 1999, the New Jersey Department of Education selected 10 school districts to take part in a pilot public school choice program. The program, scheduled to begin in September 2000, allows the districts to accept students, tuition free, from any district in the state to help fill empty seats or beef up programs while providing parents with more choices for their children's education. The state reimburses districts $8,500 for each transfer student. The pilot program is slated to expand to 21 districts over a five-year period. School districts, however, were slow to join the program. Officials from only about six districts showed up at a statewide workshop for interested schools.[414]

In 2000, a little known quasi-judicial state panel called the Council on Local Mandates issued a decision that struck down the regulations determining how charter schools are funded. The decision will likely cost the charter schools $6 million in the 2000–2001 school year, leaving legislators and the state scrambling to find a solution. Questions were raised about whether the council had jurisdiction over this matter.[415]

Citing concerns prompted by the abrupt closing of two charters schools, two Democratic lawmakers drafted legislation to require greater fiscal accountability of new charter schools before the state gives them approval to operate. The charter school applicants would have to document that they have adequate financial reserves to lease or purchase school buildings and run the educational programs. Lawmakers say that the state's monitoring system lacks sufficient checks to ensure the long-term viability of the charter schools once they open. Since the charter law was first enacted, five schools had been placed on, but later removed from, probation because of fiscal problems. Still, 12 new charters were awarded to schools in 2000, and they are expected to open in September 2001.[416]

Newark, in 1998, became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF), a $100 million foundation that matches money raised by Newark residents to fund approximately 1,000 private scholarships for low-income students to attend a school of choice. The scholarships were awarded for at least four years to children entering kindergarten through 8th grade.[417]

The CSF also selected Jersey City as a "partner city" to receive matching donations for private scholarships to help 400 low-income students attend a school of choice. At least 21,000 students (84 percent of Jersey City's public school students in grades K–8) were eligible for these scholarships. The CSF joined efforts by then-Jersey City Mayor Bret Schundler and other donors to fund the four-year scholarships. On April 22, 1999, the CSF announced the recipients, who were selected randomly in a computer-generated lottery. In Newark, 1,000 scholarship recipients were chosen from 9,018 applicants. The CSF reported that 400 recipients were chosen from Jersey City and Elizabeth from 6,506 applicants.[418]

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[414] John Mooney, "Few Districts Express Desire to Join School Choice Program," *The* (Newark) *Star-Ledger*, May 4, 2000.

[415] Tom Avril, "N.J. Charter Schools May Lose Millions," *The Philadelphia Inquirer*, May 18, 2000.

[416] Kathleen Cannon, "Lawmakers Seek Fiscal Viability of Charter Schools," *Associated Press*, November 25, 2000.

[417] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[418] *Ibid.*

Developments in 2001

In 2001, state officials approved nine new charter schools, bringing the total number of charter schools in January to 72. Four opted to take a year to plan and will not open until September 2002. The remainder are expected to open in fall 2001.[419]

The Englewood school board took the Palisades charter school to court, disagreeing with a decision of the state Board of Education that allowed it to remain open. Palisades opened in 1998 as a K–4 charter school emphasizing individual attention. Its success has resulted in a significant expansion of the school. Nevertheless, Schools Superintendent Joyce Baynes stated a concern that the school's existence is potentially damaging to efforts to attract students to magnet schools.[420]

The Office of then-Jersey City Mayor Bret Schundler, a Republican, drafted two education tax-credit proposals which were introduced by Assemblymen Guy Gregg (R) and Rudy Garcia (D). One, the Parental Control and Involvement Act (A.B. 3475), would provide parents a credit against state income taxes for expenses incurred for private school tuition, textbooks, and technology. The second, the Parental Involvement Encouragement Act (A.B. 3476), offered a tax credit against state income taxes for corporations and individuals who contribute to privately funded scholarships.[421] Both bills remain in committee.

The 2001 legislature considered A.B. 1145 and S.B. 920, which call for the establishment of a five-year tuition voucher pilot program at a cost of $5.5 million. The amount of the tuition voucher would not exceed $2,500 for grades K–8 and $3,500 for grades 9–12; in no case would the voucher exceed the tuition rate established by the participating school. This is the second attempt to pass these voucher bills, which had failed in the 2000 session.[422] The bills remain in committee.

Schundler, a long-time school choice supporter and charter school advocate, won the Republican primary for governor on June 26, 2001, demonstrating the powerful appeal of school choice. Parental choice in education is a major campaign issue. "The only thing that is going to create justice for poor people is when they have the power themselves," Schundler said, in this case the power to choose the best school for one's child.[423]

In May 2001, the New Jersey Scholarship Fund awarded 42 scholarships worth up to $1,000 to low-income children statewide.

Position of the Governor / Composition of the State Legislature

Acting Governor Donald T. DiFrancesco, a Republican, has not yet indicated his position on school choice. Both houses of the legislature are controlled by Republicans.

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419. Kathleen Cannon, "State Approves 9 Charter Schools, Two in Jersey City, for a Total of 72," Associated Press, January 12, 2001.

420. Center for Education Reform Newswire, February 13, 2001; see *www.edreform.com*.

421. Phone conversation with Daniel Cassidy of the New Jersey Scholarship Fund, April 25, 2001.

422. See National School Board Association Web site at *www.nsba.org/novouchers*.

423. Children First America, "A Voice for Choice" e-mail alert, June 27, 2001.

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NEW MEXICO

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1993, new law 1999, amended 2000

  Strength of law: Weak (Though improvements to the charter school law have been made, the existence of the multiple chartering authorities still makes the charter approval process cumbersome.)

  Number of charter schools in operation (fall 2000): 11

  Number of students enrolled in charter schools (fall 2000): 1,506
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 23rd out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 324,984
- Number of schools (1998–1999): 745
- Current expenditures: $2,002,559,000
- Current per-pupil expenditure: $6,162
- Amount of revenue from the federal government: 12.9%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 20,333
- Average salary: $33,785
- Students enrolled per teacher: 16
- Leading teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests New Mexico Student Performance	**(National) 2000 Reading**	**State (National) 1998 Reading**		**State (National) 1996 Math**		**State (National) 1996 Science**
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	4% (6%)	1% (2%)	1% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	18% (23%)	23% (28%)	12% (18%)	12% (19%)	18% (24%)
Basic	(31%)	30% (31%)	46% (41%)	38% (42%)	37% (38%)	30% (33%)
Below Basic	(37%)	48% (39%)	30% (28%)	49% (38%)	49% (39%)	51% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 22nd out of 26 states

Background

In 1993, New Mexico passed the Charter Schools Act authorizing the state Board of Education to convert existing public schools in local districts into charter schools, permit schools to restructure their own curricula and encourage different and innovative teaching methods, and allow local school boards to allocate funds to schools for site-based budgeting and expenditures. Each charter is granted for a five-year period, after which it must pass a review process to be renewed. The law allowed only five schools in the state to operate as charter schools, and only existing schools were eligible to apply.

The application for a charter requires the support of at least 65 percent of the school's teachers. The state board is responsible for approving charters, and there is no appeals process for rejected applications. Charter schools are not legally autonomous; they are under the control and authority of the local school boards.

The state Department of Education may contract with private firms to make educational alternatives available to students at risk of dropping out of high school. (Students are considered at risk if they fail three or more classes.)

In 1997, the superintendent of education signed an administrative directive to clarify the Charter Schools Act and the state Board of Education's Regulation 94-1 on Charter Schools. According to the directive, local school board policy will apply to charter schools unless the board decides otherwise. The charter school must have access to the local board to settle disputes with the district, and the district's administration must not deny the charter school access to the local school board and its meetings.

The district must give a charter school, to the maximum extent possible, all revenue and expenditure information pertinent to the school's budget. The charter school must track revenue and expenditures and negotiate with the local school board regarding the degree of financial control the school should have over these funding elements. The charter school may not have direct control over the allocation or utilization of transportation and student nutrition resources. Each school could amend its charter, through the state Board of Education, to give it more control over the budget or to specify its relationship with the local board and school district.

In 1997, Governor Gary Johnson, a Republican, announced a new program of educational reforms called "For the Children's Sake." One of its components was a comprehensive school choice plan for every child by 2002. Scholarships, phased in over a period of five years, would be redeemable at a public, private, or religious school of choice. The proposal failed to garner enough support, but the governor reintroduced it during the 1999 legislative session.

The 1993 New Mexico charter school law was repealed in April 1999, when the New Mexico Charter School Law was signed by Governor Johnson. While the earlier law was very restrictive, the 1999 charter school law greatly expanded the potential for public school choice in the state by:[424]

- Addressing the needs of all students, including those determined to be at risk;
- Encouraging parental and community involvement in the public school system;
- Developing site-based budgeting (the charter school is responsible for developing and managing its own budget and state Board of Education minimum standards and fiscal requirements);
- Enabling individual schools to restructure their educational curriculum;
- Encouraging the use of different and innovative teaching methods based on reliable research and effective practices or that were replicated successfully in schools with diverse characteristics;
- Allowing for the development of different, innovative ways to measure student learning and achievement;
- Creating new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

According to the new charter law, a charter school is a public school that can either be started by a group of parents, teachers, and/or community members, or can be converted from an existing public school. The 1999 law allows for up to 75 start-up and 25 conversion schools in any five-year period.[425]

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[424] E-mail correspondence from Dr. Michael Kaplan of the New Mexico Department of Education, May 24, 2000.

To apply for charter status, a comprehensive application must be submitted to the local school board by October 1 for schools wishing to open the following school year. The local board must hold a public meeting for comment on the application and return a ruling within 60 days. If the local board denies the application, the charter school developers have the right of appeal to the state Board of Education. Under the new law, charter schools are legally autonomous—they can sue or be sued. They are controlled by a governing council that makes decisions regarding how the school will be run, the budget will be spent, and what staff will be hired or terminated.[426]

Charter schools in New Mexico are granted automatic waivers relating to individual class load and teaching load, length of the school day, staffing patterns, subject areas, and the purchase of instructional material. The state Board of Education may, upon the request of the charter school, waive requirements or rules and provisions of the Public School Code pertaining to graduation requirements, driver's education, evaluation standards for school personnel, and school principal duties.[427]

In 1999, New Mexico introduced a new public school rating system which it is hoped would encourage education reform.

Governor Johnson twice vetoed the entire state budget in 1999 because it did not include, among other provisions, a voucher plan. The governor advocates a voucher program that would provide 100,000 low-income students out of the state's 328,000 schoolchildren with vouchers worth approximately $3,000 each to attend any public, charter, private, or religious school of choice. The program would first serve low-income students and gradually expand to include all students within four years.

In an effort to resolve the exclusion of vouchers and tax cuts from the budget, Governor Johnson called a special legislative session. He attempted to compromise with opponents of his voucher initiative by agreeing to a 12-year phase-in of a statewide voucher program. On May 10, 1999, the measure was voted down 50 to 20 in the House and 29 to 11 in the Senate. However, the House agreed to create a task force on education to discuss problems in schools and possible reforms, including vouchers.[428] As a result of the governor's diligence, support for school choice and statewide vouchers for every student rose to 58 percent.

During the 2000 legislative session, the charter school law was amended to remove charter schools from the requirements of the Open Enrollment Act and provide them with two options for enrolling students—either through a "first come, first serve" policy or through a lottery when more students apply for enrollment than can be accommodated.[429] The amendment enabled charter schools that choose to use a lottery system to be eligible for federal charter school grant funds through the U.S. Department of Education. These funds would assist in the planning and implementation of new charter schools and the dissemination of successful charter school programs.[430]

Several other attempts were made to enact a voucher bill in the 2000 session. None succeeded. H.B. 138 and S.B. 82, the Elementary and Secondary School Voucher Act, sought to provide vouchers to low-income students. Neither made it out of committee. Meanwhile, H.B. 258, the Student Choice Voucher Act, and S.B. 418, the Education Opportunity Act, also failed to pass out of committee. H.B. 4A would have authorized a 12-year voucher program, with vouchers going to low-income students initially, but then expanding to make all students eligible. The House and Senate both rejected the proposal.[431]

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425. *Ibid.*

426. *Ibid.*

427. *Ibid.*

428. Loie Fecteau, "Vouchers Fall Flat in Voting: Dems Unanimous in Opposing Bill," *The Albuquerque Journal*, May 11, 1999, at *www.albuquerquejournal.com/news/xgr99/1legis05-11.htm*.

429. E-mail correspondence from Dr. Michael Kaplan of the New Mexico Department of Education, May 24, 2000.

430. *Ibid*

431. See National School Board Association Web site at *www.nsba.org/novouchers*.

In April 2000, a new privately funded school choice program debuted. Governor Johnson announced Educate New Mexico, offering 400 scholarships to students for four years. Over 5,000 applications were received in the first two weeks.[432] The scholarships provide $1,000 in tuition assistance for grades K–6, and $1,500 for grades 7–10. At the end of the first round of applications and scholarship offers, 189 scholarships were awarded. Educate New Mexico anticipates the program will serve more than 400 children by fall 2001.

In November 2000, outgoing Santa Fe Public Schools Board of Education President Carla Lopez refused to approve any additional charter school proposals until the state law was improved. She said she was not opposed to the concept of charter schools and that she prefers them to vouchers, but she cited concerns regarding the vagueness of the charter school law, particularly the assignment of oversight responsibility. Santa Fe public schools include three charter schools, and other schools have requested conversion to charter status.[433]

Developments in 2001

On January 12, 2001, Governor Gary Johnson conducted a news conference outlining his education reform agenda for the 60-day legislative session. "For the Children's Sake 2001," which showcases his plan for "real education reform," includes education accountability, quality teachers, school site capital outlay, an increase in operational funding (providing support to all students), and a universal school voucher program. Governor Johnson wants to continue funding the public schools as needed, and he expects improved student academic achievement in return.

In addition to investing more money into public schools, the governor proposed a voucher program that would make it easier for parents to send their children to the school of their choice.[434] H.B. 84, the Elementary and Secondary School Voucher Act, would authorize school vouchers of about $5,200 aimed initially at low-income students but then expanding to all students in the state. On February 14, 2001, the House Education Committee members voted 9 to 4 against the bill. They then tabled the bill on a 13 to 1 vote.[435]

Several other choice bills were introduced in the 2001 session; none passed.

- H.B. 503 proposed the establishment of the Children's Educational Guarantee Act. The bill would authorize vouchers for use at public and private schools by students attending public schools that fail to meet state education standards.[436]
- S.B. 414 proposed vouchers for students for public and private kindergarten.
- Attempts to add a voucher pilot program as an amendment to a school overhaul bill failed on March 11, 2001.
- H.B. 420 proposed up to a $500 tax credit for home school "operators."
- Multiple bills that proposed tuition scholarship tax credits for private school tuition for low-income students.

The governor's school reform proposal included the creation of a Charter School Board to make it easier to apply for a charter, an increase in the Charter School Stimulus fund by $3 million to help charters with start-up costs, and a 5 percent Teacher Merit pay increase. Governor Johnson is also working toward a statewide report card system.[437]

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432. Heartland Institute, *School Reform News*, August 2000.

433. Diana Hull, "Officials: Charter Law Needs Improvement," *The Albuquerque Journal*, November 24, 2000.

434. News Conference, "Governor Johnson to Share His 'For the Children's Sake' 2001 Education Reform Agenda," Office of the Governor, January 11, 2001.

435. See National School Board Association Web site at *www.nsba.org/novouchers*.

436. *Ibid.*

437. News Conference, "Governor Johnson to Share His 'For the Children's Sake' 2001 Education Reform Agenda," Office of the Governor, January 11, 2001.

Position of the Governor / Composition of the State Legislature

Governor Gary Johnson, a Republican, is an avid supporter of vouchers and charter schools. He has identified education reform through school vouchers as his highest priority and is considered one of the most aggressive governors for school choice. Both houses of the legislature are controlled by Democrats.

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NEW YORK

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1998
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 25
  Number of students enrolled in charter schools (fall 2000): 7,057
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 27th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 2,873,492
- Number of schools (1998–1999): 4,224 schools
- Current expenditures: $28,876,992,000
- Current per-pupil expenditure: $10,049
- Amount of revenue from the federal government: 6.8%
- Evaluation of school performance: Report cards and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 205,652
- Average salary: $50,920
- Students enrolled per teacher: 14.0
- Largest teachers union: AFT (the New York State United Teachers)

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests New York Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	8% (6%)	3% (2%)	2% (2%)	5% (4%)	4% (3%)
Proficient	(24%)	29% (23%)	33% (28%)	22% (18%)	23% (19%)	33% (24%)
Basic	(31%)	36% (31%)	44% (41%)	47% (42%)	40% (38%)	32% (33%)
Below Basic	(37%)	27% (39%)	20% (28%)	29% (38%)	32% (39%)	31% (40%)

- SAT weighted rank (2000): 16th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

New York provides limited public school choice and charter schools. Efforts to improve the future for children in repeatedly low-performing schools by offering other publicly funded choice initiatives like vouchers have had far less success.

New York City began its efforts to increase educational opportunities in 1993, when the Board of Education adopted a proposal to allow the city's 700,000 elementary and junior high school students to attend schools outside their districts as long as space is available. The policy applies only to out-of-district transfers; transfer policies within a district vary according to the policy of the receiving district. No provision is made for transportation. New York City's best public schools tend to be very crowded. The state provides transportation to non-public schools as long as students use existing school bus routes.

One district in particular has gained recognition under this plan. Since 1974, East Harlem District 4 junior high school teachers have been allowed to redesign or create new schools, and parents have been allowed to choose the school their children attend. After this change was implemented, reading scores began to soar, and the district moved from last place among the city's 32 districts in 1973 to 15th in 1987. White students were increasingly attracted to the largely minority school district as well.

A report released in January 1998 by researchers at the State University of New York on the effects of public school choice in District 4 showed widespread improvement in district math and reading test scores compared with those of the remaining districts in the city.[438] These results held up to econometric analysis controlled for such factors as demographics and district resources. The researchers found a direct correlation between the increase in the number of choice schools in District 4 and the increases in math and reading scores. They also found a high level of parental satisfaction with the program.

New York City Mayor Rudolph Giuliani, a Republican, has urged educators and lawmakers to use Catholic schools as models for reform. In 1996 he put forth a proposal to allow public school students performing in the bottom fifth percentile of their class to attend a religious school. Cardinal John J. O'Connor offered to take him up on this proposal at no charge to the city, in response to a challenge from Albert Shanker, then president of the American Federation of Teachers. Giuliani's proposal, fiercely opposed by the education establishment, was not implemented. The city Board of Regents rejected a similar plan by Regent Carlos Carballada to allow children in 87 failing schools to choose a better school.

Meanwhile, several privately sponsored private school choice programs were enjoying notable success and sending a wake-up call to the city's school officials. In 1997 and 1999, philanthropist Virginia Gilder offered vouchers of up to 90 percent of the cost of private school tuition (up to $2,000 a year) to parents in Albany whose children attended Giffen Memorial Elementary School to be used at another school of choice. Gilder's vouchers, known as "A Brighter Choice Scholarships," could be used for a minimum of three years and a maximum of six years per student. Giffen had the worst pupil performance scores of any school in the region and repeatedly reported that over 50 percent of its students were not reading at state-set minimum competency levels. In addition, 96 percent of Giffen students were on the federal free-lunch program. By September 1999, more than 20 percent of the students, including the child of the president of the parent–teacher association, were using the scholarships to attend a private school.

This exodus alarmed Albany public school officials, who immediately took steps to reform Giffen Elementary. Lonnie Palmer, Albany's superintendent of schools, replaced the principal with a new principal and two assistant principals, charging one with overseeing and boosting academic performance. After interviewing the school's teachers, Palmer found cause to remove 20 percent of them. To help bring about faster change, the Albany Urban League provided a $100,000 grant to help Giffen students advance in reading. In 1998, the school scrapped its language arts program and replaced it with "Success for All," a Johns Hopkins University program that boasts particularly high success rates among low-income students.

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[438] Paul Teske, Mark Schneider, Melissa Marschall, and Christine Roch, *Evaluating the Effects of Public School Choice in District 4*, report prepared for the Manhattan Institute, New York, October 28, 1997.

Elsewhere, in New York City, the School Choice Scholarships Foundation guaranteed $11 million to send 2,200 students to schools of choice in 1997. The vast majority of recipients were from the 14 districts that contain 87 percent of the city's lowest performing schools. More than 40,000 children applied for scholarships in the first two years. All students eligible for the $1,400 annual scholarships were in the 1st through 6th grades and qualified for the federal free-lunch program.

According to a report published jointly by Harvard University's Program on Education Policy and Governance and Mathematica Policy Research, Inc., low-income recipients and users of School Choice Scholarships Foundation vouchers scored higher on math and reading tests after only one year in the program.[439] Because the scholarships were awarded by lottery, evaluators were able to treat the comparison as a natural experiment in which students were allocated randomly to the scholarship or control group. The study compared scholarship recipients in the 2nd through 5th grades to students with similar backgrounds who did not receive the scholarship. Aggregated differences were about two percentile points in test scores between the recipients and the control group for all grades and in both subjects. Among 4th and 5th graders, the recipients scored four percentile points higher than the control group in reading and six points higher in math.

The Harvard study also found that parents of scholarship recipients were more satisfied with their children's education and other aspects of school life than parents of the control group. Half the scholarship users gave their schools an "A" grade, compared with only one-eighth of the control group. More than half the parents of scholarship recipients were very satisfied with the academic quality of their child's new school, compared with one-sixth of the control group, while 58 percent of the scholarship parents expressed the highest satisfaction with "what's taught in school," compared with 18 percent of the control group.

Almost half the scholarship parents said they were satisfied with school safety, compared with 22 percent of parents in the control group. They were also more likely than those in the control group to report that the following were not serious problems: student destruction of property, being late for school, missing classes, fighting, cheating, and engaging in racial conflict. A majority of scholarship parents (55 percent) reported that their children had at least one hour of homework every day, compared with only 36 percent of the control group parents; additionally, 16 percent of the control group parents rated their child's homework as too easy, compared with only 10 percent of the scholarship parents.

The state Senate and Assembly passed a strong charter school bill on December 18, 1998. Governor George Pataki, a Republican, signed the bill, which allows the establishment of 100 charter schools and an unlimited number of conversions. Per-pupil operating funding follows each child to the charter school. The bill also grants considerable autonomy to charter schools, including:[440]

- A blanket waiver of bureaucratic rules, regulations, and laws applicable to public schools, except for those concerning health, safety, and civil rights;
- Financial and administrative autonomy from local school districts;
- Freedom from certification requirements for non-instructional personnel, including principals;
- Moderate freedom from certification requirements for teachers. Up to 30 percent of all teachers or five teachers, whichever is less, may be non-certified. This does not include teachers with alternative certification;
- Freedom from state tenure laws, pre-existing collective bargaining agreements, and mandated union representation. Only charter schools with more than 250 students in the first year of operation may be unionized; 10 of the schools, regardless of school size, would be exempt from unionization;

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[439] Paul E. Peterson, David Myers, and William G. Howell, *An Evaluation of the New York City School Choice Scholarships Program: The First Year*, Harvard University Program on Education Policy and Governance and Mathematica Policy Research, October 28, 1998. See *http://data.fas.harvard.edu/pepg/NewYork-First.htm*.

[440] From Gregg Birnbaum, "Senate OKs Charter Schools in 38% Pay-Raise Megadeal," *The New York Post*, December 18, 1998, and information from the Empire Foundation.

- Freedom to choose curriculum, uniform policy, number and length of school days, and school year;
- No provisions relevant to partnerships with private-sector groups and private educational firms; and
- Accountability provisions that include a five-year charter based on how well the school performs, oversight by a chartering entity and the Board of Regents, use of exams that are administered by the public schools, and the requirement that students meet state performance standards.

In 1999, the State University of New York (SUNY) approved eight charter schools, five of which would be located in New York City, one on Long Island, and two in upstate New York. Three of these schools began operating that fall. SUNY's Charter Schools Institute, a charter-granting entity, received 90 applications by September to start charter schools in over 40 different communities.

In 1999, Mayor Giuliani proposed a pilot voucher program in one district modeled after Milwaukee's program, which would need approval from the Schools Chancellor and the Board of Education, but not the state legislature.[441] Then-Chancellor Rudy Crew threatened to resign if the pilot program was funded through the education board; Giuliani offered instead to fund the $12 million program through the Mayor's Office. The fund would provide vouchers to low-income students over three years. The mayor stressed "we should not be afraid to basically turn the evaluation of schools over to the consumers, the parents and the children."[442] In a compromise with opponents, the mayor later agreed to first authorize a study of the effectiveness of vouchers. In 1999, Crew's contract was not renewed and he declined to serve out his term.

A least 10 measures related to school choice were introduced in the legislature in 2000. An Educational Tax Incentives Act, for example, offered to provide a credit of up to $500 on state income tax returns for contributions to any private scholarship fund, public school, or for the purchase of materials for home schooling. No action was taken on the bill.

On January 11, 2000, Mayor Giuliani called on the Board of Education to turn over the operation of 10 to 20 of its most troubled schools to private companies. The mayor, who had called for abolition of the Board of Education, hoped to force the board to compete with the private sector and do a better job of serving the city's students. New York City accounts for the majority of the state's failing schools.

When he was appointed in 1999, New York City Schools Chancellor Harold Levy declared that he did not support vouchers. Within a month, however, he had moderated his position and said that he would consider turning some failing schools into charter schools run by private companies or not-for-profit groups.[443] In July 2000, Levy issued a request for proposals to help the Board of Education convert the failing institutions into charter schools. Roughly 50 city schools were eligible for the program because of their poor performance, but the chancellor offered only five as candidates.[444]

Levy's plan to let private firms run some of the city's worst schools attracted companies and non-profit organizations from various states. To qualify, the organizations must have operated schools with at least 450 children or managed a budget of $1.5 million. The largest charter school management firms had the best chances at winning the contracts.[445] By mid-August 2000, 14 companies and non-profit organizations from around the country had submitted proposals to manage some of the worst performing schools. The most sweeping proposal came from Edison Schools, the largest national commercial manager of public schools. It offered to take over 45 low-performing elementary and middle schools by fall 2003.[446]

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[441] Abby Goodnough, "Mayor Proposes Voucher Experiment in Single School District," *New York Times Regional on the Web*, January 15, 1999.

[442] Abby Goodnough, "Giuliani Altering School Voucher Plan," *The New York Times*, April 22, 1999, p. B3.

[443] Editorial, *The New York Times*, June 30, 2000.

[444] Edward Wyatt, "New York City to Privatize Worst Schools," *The New York Times*, July 27, 2000.

[445] Carl Campanile, "Charter Schools: Chalk One Up for the Big Guys," *The New York Post*, August 5, 2000.

[446] Edward Wyatt, "4 Companies Emerge in Bid to Privatize Worst Schools," *The New York Times*, October 19, 2000.

Chancellor Levy also announced a plan to entice experienced teachers from private and parochial schools to work at the city's poorest public schools by offering them higher starting salaries. Teachers with more than seven years of experience who transfer into one of the 90 or so underperforming schools would start at $48,000. A state judge temporarily barred Levy from allowing unlicensed teachers to work in the schools in the coming year. State Education Commissioner Richard Mills filed suit against the city, claiming that the city was violating a new state policy that requires, after September 1999, only certified teachers be hired for the underperforming schools.[447]

By September 2000, Levy ordered the closing of four of the city's worst-performing schools and the redesign of 12 others that had repeatedly failed to meet the statewide performance standards.[448]

Mayor Giuliani reiterated his position as part of an *amicus curiae* brief filed in the suit against Chancellor Levy by state Education Commissioner Richard Mills: Students stuck in failing schools should have the right to enroll in any other public or private school. Giuliani believed his remedy would put "children first, rather than leaving them in the middle of a dispute among adults in which they have little stake."[449]

A poll reported two days after Guiliani's statements revealed that about three-fourths of city residents familiar with school vouchers supported sending children to a school of choice. Support was highest among non-whites and low-income residents, with 87 percent of Hispanics, 86 percent of Asians, and 83 percent of blacks in favor of choice. In addition, the survey found that half of the city residents were dissatisfied with local schools, and a shocking two-thirds of the 1,257 respondents said they believe that most of the public schools are "not safe places." The director of the Hunter Big Apple survey, William Williams, was surprised by the strong level of support for vouchers in the overwhelmingly Democratic state. "[T]he Democratic Party is opposed to vouchers," he said. "But the people are for them."[450]

Data in 2000 revealed that students at private and parochial schools in Queens outperformed those in public schools on statewide 4th and 8th grade English and math tests, with the gap between them increasing as students get older. In the starkest example, 8th graders in the borough's private schools, which include Catholic, Jewish, and other religious schools as well as independent schools, scored 20 percentage points higher than Queens public school students on the state's English language test.[451]

Test scores released in June 2000 revealed that 4th grade students in private schools in every borough of New York City improved their scores sharply on the state's more rigorous reading and writing test, with 52 percent passing, compared with 43 percent in 1999. The percentage of students scoring "excellent" jumped to 11 percent from 3 percent. However, there were enormous variations in test performance from school to school.

These results stand in contrast to public school scores, which rose from a 33 percent passing rate last year to a 42 percent passing rate in 2000.[452]

In its second annual report card on New York City's public schools, the Manhattan Institute's Center for Civic Innovation found that the majority of students—especially minorities—are failing to learn. Although high school completion rates are up, the long-term trends show that less than 16 percent of New York City public school students will satisfy the stiffer requirements for a diploma that take effect in 2004. Currently, only 46 percent receive a diploma in the standard four years, and only 58 percent receive it after seven years. Completion rates for whites and Hispanics are similar to national levels; a significant gap exists in black achievement, with 84 percent of blacks nationwide completing their diploma within seven years, compared to only 66 percent of New York City black students.[453]

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[447] Abby Goodnough, "Levy Offers Higher Salaries to Staff the Worst Schools," *The New York Times*, August 2, 2000; Abby Goodnough, "State to Sue over Uncertified Teachers," *The New York Times*, August 1, 2000.

[448] Edward Wyatt with Abby Goodnough, "Four Schools, Among Worst, to Be Closed," *The New York Times*, August 23, 2000.

[449] Carl Campanile, "Rudy Springs Voucher Plan as a Solution to School Suit," *The New York Post*, August 23, 2000.

[450] Carl Campanile, "Poll Reveals Overwhelming City Support for Vouchers," *The New York Post*, August 25, 2000.

[451] Jessica Kowal, "Private Schools, Better Scores," *Newsday*, August 28, 2000.

[452] Andy Newman, "4th Grade Test Scores Rise in Private Schools," *The New York Times*, October 12, 2000.

A Harvard University study released in 2000, which examined the results of privately funded experimental voucher programs in New York, Washington, D.C., and Dayton, Ohio, found that between 1998 and 1999, African-American children who used the vouchers moved up an average of 6.3 points in math and reading test score rankings relative to a control group of similar students who remained in public schools. The researchers called these gains statistically significant.[454]

The head of the New York City teachers union proposed giving educators more authority to run schools, including the right to set the length of the school day and year and to determine class sizes. Teachers and principals would be exempt from the extensive citywide labor rules that limit decision-making in the school. This proposal came during the first day of labor contract talks with Mayor Giuliani and Chancellor Levy.[455] Mayor Giuliani's office gave the current school choice program in the city a grade of "F." Deputy Mayor Tony Coles said, "The Board of Education doesn't make choice available in a comprehensive way. The school system shouldn't lock the door on students who want to move to another school." A little-publicized policy is supposed to give parents the option of transferring their children to other, better community public schools.[456] But the board's own figures show that few parents take advantage of this option. Last year, 9,874 out of nearly 800,000 students in grades K–8 transferred—barely more than 1 percent. Only 16,274 parents had applied, and 40 percent of the requests were rejected.

This lack of options comes at a time when a shocking 338 elementary schools—nearly a third of the city's total—are failing or low-performing based on standardized test scores, according to a study by New York University Professor Joseph Viteritti. This means that more than 100,000 young children are in sub-par schools.[457]

In addition to the bureaucratic difficulties hindering genuine school choice, a *New York Post* investigation found that many parents do not know about their choice options, because the board does not make the information widely known.[458]

In November 2000, Mayor Giuliani announced that the city had created a $10 million fund to give its fledgling charter schools annual grants of up to $250,000 per school for new equipment, laboratories, libraries, air-conditioning, and construction projects, since charter schools receive little or no city assistance for capital improvements. Initially, the Charter School Improvement Fund will be available to the city's first 16 charter schools. The mayor hopes the fund will also provide seed money for establishing additional charter schools.[459] The New York State Board of Regents approved six new charter schools in December 2000 in New York City suburbs and upstate areas.[460]

In an attempt to comply with a court order barring the hiring of uncertified teachers in New York City, Chancellor Levy expanded a program that offers novices a crash course in teaching and grants for alternative certification. The New York City Teaching Fellows program was designed originally to train novice teachers over the summer and place them in failing schools the following September. Of the 350 or so teachers hired from the program, about 50 have quit for reasons that ranged from a lack of support to discipline problems in the schools.

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[453] Joseph P. Viteritti and Kevin Kosar, "State of the New York City Public Schools 2000," Manhattan Institute *Civic Report* No. 13, September 2000.

[454] Paul Peterson, et al., *Test-Score Effects of School Vouchers in Dayton, Ohio, New York City, and Washington, D.C.: Evidence from Randomized Field Trials*, Harvard University and The Brookings Institution, August 2000.

[455] Carl Campanile and Kirstin Danis, "Teachers Union Takes Page from Charter Schools," *The New York Post*, September 7, 2000.

[456] Carl Campanile, "School 'Choice' No Choice at All," *The New York Post*, September 25, 2000.

[457] Joseph P. Viteritti, "SURR Schools and Academic Failure in New York City," The Manhattan Institute, July 2001.

[458] Campanile, "School 'Choice' No Choice at All."

[459] Thomas J. Lueck, "$10 Million Fund to Help NYC's Charter Schools," *The New York Times*, November 1, 2000.

[460] Kate Zernike, "Regents Back 6 Charter Schools; Total is Now 33," *The New York Times*, December 15, 2000.

Levy has complained vociferously about the court order on certification, saying that more than 1,200 newly certified teachers turned down New York City jobs for September 2000 rather than work in the lowest-performing schools. He has pleaded for a reprieve on the grounds that the order hampers hiring efforts system-wide. Vacancies in regular schools cannot be filled with certified teachers until all vacancies at low-performing schools have been filled with certified teachers.[461]

New York City began seeking corporate partnerships with its public schools, hoping to have mentors at every one of its nearly 1,200 schools who will donate their time to work with students, faculty, and administrators. It is anticipated that, in addition to mentoring students, the companies would offer internships or paid work experiences for students; help improve physical facilities such as gymnasiums, libraries, and classrooms; donate resources like computers and books; and establish health programs.[462]

In December 2000, the Board of Education decided to permit Edison Schools to take over five of New York City's worst schools, endorsing Chancellor Levy's proposal. The parents were to vote on this in 2001.

Buffalo became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF matches funds raised by Buffalo residents to fund approximately 500 private scholarships for low-income students to attend a school of choice. A lottery in April 1999 determined the recipients of the minimum four-year scholarships for children entering kindergarten through 8th grade. The CSF also selected New York City. At least 587,000 students—or 72 percent of New York's public school students—were eligible for scholarships. The CSF joined the School Choice Scholarships Foundation to administer the vouchers. In New York City, 2,500 scholarship recipients were selected randomly from 168,184 applicants (nearly 30 percent of the eligible population); in Buffalo, where the CSF partnered with the BISON Scholarship Fund, 500 recipients were chosen from 5,560 applicants.[463]

Developments in 2001

In January 2001, the first public elementary school in the nation to offer separate instruction for boys and girls received unanimous approval by the New York State Board of Regents. The Brighter Choice Charter School for Girls and the Brighter Choice Charter School for Boys will be housed under one roof in Albany. The schools will serve at-risk children. Students will be taught by subject-based teachers, instead of generalist grade teachers, during a longer school day and school year; begin Spanish instruction in kindergarten; wear school uniforms; and take standardized tests in every grade and every major subject.[464]

New York became the 20th state to have its school funding system declared unconstitutional. State Justice Leland DeGrasse in January ruled that the city's schools were "abysmal" and "deficient," and ordered the state to pour billions of dollars into them. New York City schools already spend some $9,500 a year per student, which the Citizen's Budget Commission reports is 17 percent above the national average of almost $6,200.[465] Governor Pataki filed an appeal.

Teachers entrusted with helping city students pass standardized tests are regularly flunking their own certification exams. Of the 118 uncertified teachers who took subsidized preparation courses at New York City College in 2000, 70 flunked one or both of the exams required to get their teaching licenses—a 59 percent failure rate. Most of those who failed are still teaching in New York City schools.[466]

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[461] Abby Goodnough, "Schools Chancellor to Expand Program to Certify Novice Teachers," *The New York Times*, November 8, 2000.

[462] Edward Wyatt, "Greater Role Seen for Corporations Aiding City Schools," *The New York Times*, November 29, 2000.

[463] See Children's Scholarship Fund Web site at *http://www.scholarshipfund.org*.

[464] Center for Education Reform Newswire, January 3, 2001; see *http://www.edreform.com*.

[465] Editorial, "Dollars to Students, Not Districts," *The Wall Street Journal*, January 12, 2001.

In January 2001, the trustees of the State University of New York approved seven new charter schools: four in New York City, two in Buffalo, and one in Troy. All are elementary schools that plan to open in fall 2001. Among the features they offer: smaller classes, longer school days, an emphasis on basic skills, and self-directed learning.[467] Fifteen of the charter schools operating or approved have contracts with for-profit education management. Ten applications have been approved for 2002.[468]

Parent groups and local politicians vigorously organized in 2001 to block a Board of Education plan to allow a private company, Edison Schools, to manage five of New York City's lowest-performing public schools. Edison was approved to take over the schools in December 2000.[469]

One of the leading opponents is former Mayor David Dinkins, who contacted parents to urge them to vote against the plan. Guiliani responded by reminding parents that the state report card—which showed that three-quarters of the city schools had flunked state standards—proves that private education-management companies should be allowed to run even more of the low-performing schools.[470]

Governor Pataki praised the plan to privatize management of the five failing schools. Pataki said giving parents the option to let Edison Schools run failing schools in Brooklyn, The Bronx, and Harlem was the right thing to do:

> [We] have to put the interests of the kids first. When you have a school that for over a decade clearly is not educating the children, giving the parents the opportunity to have a different system, and hopefully a better system for the children, is the right thing.[471]

Nevertheless, the plan was rejected by 80 percent of the parents who voted.[472] Despite this setback, the movement to open new charter schools continues to flourish, and more are planned to open this fall.

Several choice bills were introduced in the 2001 legislative session.

- A.B. 7239 would establish the Elementary and Secondary Education Improvement Act. It would authorize vouchers or parental choice certificates for use at private schools. The bill is stalled in committee.
- S.B. 1412 proposes the establishment of an education investment tax credit to encourage the private sector to donate to public and private schools, as well as scholarship funding organizations. The credit would be for up to 50 percent of the contribution. The bill remains in a Senate committee.
- A.B. 3216 proposes a tax credit for public school extracurricular expenses or contributions to a private school tuition funding organization. The bill would authorize a tax credit of up to $200 for expenses related to public school extracurricular activities, and a tax credit of up to $500 for contributions to a private school tuition funding organization. The bill has not been acted upon in committee.[473]
- Assembly Minority Leader John Faso proposed A.B. 6916 to give parents a tax credit of up to $1,500 for each child's education expenses, or $3,000 per family. Families with children in grades K–12 earning less than $100,000 in adjusted gross income would be eligible.[474]

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[466] Carl Camanpile, "Certifiably Stupid," *The New York Post*, January 16, 2001.

[467] Karen Arenson, "7 Charter Schools Approved, 4 of Them in New York City," *The New York Times*, January 25, 2001.

[468] Rick Karlin, "Charter Schools More Than Just Latest Fad," *Times Union*, March 11, 2001.

[469] Edward Wyatt, "New York Faces a Fight to Persuade Parents that 5 Schools Should Privatize, *The New York Times*, January 30, 2001.

[470] Carl Campanile, "Privatizing City Schools Pits Rudy v. Dinkins Again," *The New York Post*, March 16, 2001.

[471] Carl Campanile, "Pataki Sings Praises of Takeover Option," *The New York Post*, March 24, 2001.

[472] Abby Goodnough, "Scope of Loss for Privatizing of Schools Stuns Officials," *The New York Times*, April 3, 2001.

[473] See New York State Assembly at *http://assembly.state.ny.us*.

A March 2001 study shows that New York City Catholic school students continue to achieve higher scores than their public school peers on the state's 4th and 8th grade standardized tests. Sponsored by New York University, the "Catholic Schools in New York City" report showed that while Catholic schools have only a slight advantage over public schools on 4th grade exams, dramatic differences can be seen on the 8th grade English and math tests. Moreover, Catholic school students pass their exams at a higher rate. "This study provides new evidence to demonstrate that Catholic schools are more effective than public schools in severing the connection between race or income and academic performance," said Professor Joseph Viteritti, who had commissioned the study.[475]

Mayor Giuliani is again promoting a voucher program to give poor students access to quality education. His proposed $12 million pilot program, modeled after the Milwaukee choice program, would reach students in one or two school districts for a three-year period. The students would be eligible for tuition assistance at a parochial or private school of choice.[476]

Hoping to convince New Yorkers that school choice works, in June 2001 Guiliani took an entourage of Board of Education and City Council members to Milwaukee to examine its choice program. Despite the program's popularity with parents, Milwaukee School Board members told the visitors that they think the program takes away money from public schools and is not sufficiently accountable to taxpayers. Choice supporters countered Milwaukee School Board members' claims and said that the accountability that matters is to parents whose children are forced to stay in failing schools.[477]

According to the head of the Board of Education, Ninfa Segarra, the city's public schools need the competition that parochial schools provide. Regarding the recent decision to close three Catholic schools, Segarra said, "Vouchers should have provided the opportunity to keep kids in those schools. Kids would go to these schools if they had vouchers. And the public school system could use the competition." She additionally stressed the value of parental choice. "In many minority communities, Catholic school is a real opportunity parents would take if given the choice."

State Education Department Commissioner Richard Mills decided that students at "alternative" high schools should take the Regents exam, as do students at traditional public high schools, in order to graduate. Busloads of students and teachers traveled to the state Capitol in May to protest that decision.[478]

In June, City Council Speaker Peter Vallone opposed Mayor Giuliani's effort to put $80 million into the next city budget to help privatize some of the city's nearly 100 failing schools. The city's public schools will receive about $12 billion in 2002, but Chancellor Levy said the system cannot afford to lose money, even $80 million.[479] He demanded that principals in failing elementary schools spend 50 percent of their time in the classroom. This action followed a decision by Levy to impose an immediate hiring freeze on the 3,000 administrative positions in the central offices.[480]

The BISON Scholarship Fund in Buffalo, like similar programs in other cities, resembles a privately funded version of President George W. Bush's voucher proposal. Because it is privately funded, the BISON Fund has operated free of serious controversy since its inception six years ago. Approximately 1,045 students are attending parochial and private schools in Buffalo with the assistance of the scholarships, which are awarded by lottery. Half are given to pupils who transfer from public to private school; the other half go to families struggling to pay the tuition bills for their children already enrolled in pri-

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474. Catholic School Network, Legislative Alert, "Education Tax Credit Proposal," February 5, 2001; see *www. uscsn.com/page5.html.*

475. Press Release, "Catholic Schools Outperform Public Schools on State English and Math Exams: A New Study," New York University, March 22, 2001.

476. Frankie Edozien, "Mayor's Budget Bid Includes Push for Vouchers," *The New York Post*, January 24, 2001.

477. Sam Schulhofer-Wohl, "New York Hears Anti-Choice Voices," *The Milwaukee Journal Sentinel*, July 4, 2001.

478. Kenneth Lovett, Carl Campanile and Neil Graves, "Polls Give Exam Foes Albany Invasion An F," *The New York Post*, May 8, 2001.

479. Tom Topousis, "Vallone: I Will Fight Privatizing of Schools," *The New York Post*, June 4, 2001.

480. Center for Education Reform Newswire, June 26, 2001; see *http://www.edreform.com.*

vate school.[481] As of January 31, 2001, 3,419 students were receiving the scholarships at 504 schools. The average scholarship is $1,257.[482]

Position of the Governor / Composition of the State Legislature

Governor George Pataki, a Republican, supports charter schools and was a major force in securing the passage of the state's charter school law in 1998. The House is controlled by Democrats; the Senate is controlled by Republicans.

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[481] Frankie Edozien, "Mayor's Budget Bid Includes Push for Vouchers," *The New York Post*, January 24, 2001.

[482] Peter Simon, "Rethinking Vouchers," *Buffalo News*, January 31, 2001.

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NORTH CAROLINA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1996
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 95
  Number of students enrolled in charter schools (fall 2000): 18,516
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 38th out of 50 states

K–12 Public Schools and Students (2000-2001)

- Public school enrollment: 1,277,747
- Number of schools (1998–1999): 2,095
- Current expenditures: $7,692,813,000
- Current per-pupil expenditure: $5,431
- Amount of revenue from the federal government: 7.6%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 82,163
- Average salary: $41,167
- Students enrolled per teacher: 15.6
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests North Carolina Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	2% (2%)	2% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	22% (23%)	29% (28%)	19% (18%)	17% (19%)	22% (24%)
Basic	(31%)	34% (31%)	45% (41%)	43% (42%)	36% (38%)	32% (33%)
Below Basic	(37%)	38% (39%)	24% (28%)	36% (38%)	44% (39%)	44% (40%)

- SAT weighted rank (2000): 22nd out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

In 1996, the North Carolina legislature passed the state's first charter school law, stipulating that charter schools be non-sectarian, enroll at least 65 students, and employ at least three teachers. Any individual, group, or non-profit corporation may apply to open a charter school, and current public schools may convert to charter schools with the approval of a majority of its teachers and a significant number of parents. The number of five-year charters is capped at five per district per year, with a maximum of 100 for the state. Funding is set at the per-pupil cost for the district in which the school is located. A provision to allow public school teachers who teach in charter schools to retain their retirement benefits was approved in 1997. As of fall 2000, 95 charter schools had opened.

A 1998 survey of North Carolina business executives found that 77 percent strongly support the concept of charter schools and would like to see the state's charter school law broadened. The survey, conducted by the North Carolina Smart Schools Alliance, asked education-related questions of members of the largest statewide business organization, North Carolina Citizens for Business and Industry, and various local chambers of commerce throughout the state. Nearly 66 percent favored scholarships or tax credits, and 77 percent said they favored tax deductions for parents who save money for their children's education (i.e., education savings accounts).[483]

Numerous charter schools reported in 2000 that the public school system denies them necessary funding. Public school officials responded that the schools across the state, especially in high-growth areas, have suffered because the state has not replaced dollars that go to charter schools.[484]

A 2000 Manhattan Institute study looked at 452 Charlotte students from two groups of applicants for vouchers to attend private school: those who received the vouchers and those who did not. Among the group receiving privately funded vouchers, after one year, standardized test scores had increased by 6 percentile points in math and 7 percentile points in reading over those of the group that did not receive vouchers. In addition, parents of voucher children were almost twice as likely to report being satisfied with almost all aspects of their children's education, from school safety to the quality of instruction to the teaching of moral values.[485]

In 2000, Democrat gubernatorial candidate Mike Easly criticized the school voucher proposal advanced by his Republican opponent, Richard Vinroot. He claimed that it could cost at least $400 million a year. This misleading number was based on the claim that Vinroot would give taxpayer-funded scholarships to every child in private school or home-schooled. But Vinroot sought vouchers for public school students whose schools failed to meet certain standards and tax credits for home schoolers; these would cost significantly less than the $400 million claimed by Easly.[486] As the new governor, Easley continues to frame the voucher issue as a benefit for the rich and middle class.[487]

Citizens continued to call for choice in education, so the Charlotte-Mecklenburg School system developed a $5 million public school choice plan, but dropped it after the 4th Circuit Court of Appeals ruled in December 2000 that the district was not yet desegregated.[488] The abandonment of the plan sent ripples of disappointment throughout the community when parents showed up at the "Showcase of Schools" event to choose a public school for their children only to find the plan had been canceled.

In Wake County, pressure from a citizens advisory committee focusing on school facilities forced the Board of Education to recognize by resolution that charter schools were a viable option in relieving overcrowding in public schools. This small victory demonstrated the need to expand the number of charter schools in the state.[489]

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[483] North Carolina Alliance for State Schools, press release, December 16, 1998.

[484] Chip Wilson, "Charter Schools Seek More Funding," *The Charlotte Observer*, August 7, 2000.

[485] Jay P. Greene, "The Effect of School Choice: An Evaluation of the Charlotte Children's Scholarship Fund Program," Manhattan Institute for Policy Research, August 30, 2000.

[486] Anna Griffin, "Easly's Warning on Voucher Plan Is Misleading," *The Charlotte Observer*, September 6, 2000.

[487] E-mail correspondence from Linda Williams of the North Carolina Citizens for a Sound Economy, May 11, 2001.

[488] Alan Richard, "In Wake of Ruling, Charlotte Votes to Drop Choice Plan," *Education Week*, December 13, 2000.

The state does not have a publicly sponsored private school choice program, though several private programs offer scholarships. The Carolina Educational Opportunity Scholarship Fund (affiliated with the North Carolina Education Reform Network) offers scholarships of $1,000 to low-income students in kindergarten through 8th grade in Durham, Wake, Forsyth, and Guilford Counties. The scholarships are awarded by lottery to children who qualify for free or reduced-price lunches and whose parents can match the additional $1,000 needed to cover the average private school tuition in those counties.[490]

Charlotte became one of 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, matches funds raised by Charlotte residents for scholarships that allow low-income students to attend a school of choice. The 534 recipients of the minimum four-year scholarships were selected in a computer-generated lottery from 6,107 applications for children entering kindergarten through 8th grade the following year.[491]

Developments in 2001

North Carolina leaders are discussing aggressive steps to rescue the state's low-performing schools. The state's current approach for helping schools with persistently low student achievement is limited largely to deploying management teams of educators to evaluate and correct problems. State Superintendent Mike Ward is proposing that the state Board of Education make dramatic cuts in class size, offer substantial pay incentives to teachers, and establish a longer school day or school year. If schools fail to show positive results after two years, they would be subject to the harshest sanctions, including sweeping changes in programs, faculties, and administrators. The plan was a response to President Bush's ambitious education initiative to increase choice for students enrolled in schools that perform poorly by state standards.[492]

Two new charters were given to Mecklenburg County in January 2001, one to service at-risk high school youth and the other as a National Heritage Academy. Calls to lift the state's cap of 100 charters grew after the state Board of Education approved three new charter schools in early February 2001, brings the state's total to 97.[493] Lawmakers introduced four bills to remove the cap. "[T]his legislation will allow more parents to find the public school that best meets the educational needs of their children," said Roger Gerber, executive Director of the League of Charter Schools. "The very existence of the cap limits a parent's choice and a child's opportunity."[494] Several charter school bills introduced during the 2001 legislative session stalled in committee. H.B. 1207 would permit a local board of education to apply for charter status for one or more of its public schools. H.B. 25, H.B. 26, and H.B. 29 would remove the state's cap on the number of charter schools permitted.[495]

In response to the continued cry for more choice in education, the Charlotte-Mecklenburg Board of Education passed a resolution in March requiring the superintendent to develop a second school choice plan for the 2002–2003 school year. The directive is similar to the one rejected by the 4th Circuit Court in December 2000 that consumed two years of staff time and $5 million to begin implementing. The school system appealed the court's decision, and is still waiting for a ruling on whether the system is "unitary" or "non-unitary."

The governor, facing a budget shortfall, is pushing a plan to begin a government-run lottery to help pay for education. The plan envisions using the proceeds for lowering class sizes and pre-kindergarten training, among other uses. A strong coalition of taxpayer, family, and reli-

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[489] E-mail correspondence from Linda Williams of the North Carolina Citizens for a Sound Economy, May 11, 2001.

[490] Kelly Brewington, "Voucher Support Offers Matching Scholarship Plan," *The Herald–Sun*, January 14, 1999.

[491] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[492] Todd Silberman, "North Carolina Takes Different Tack to Improve Schools," *Charlotte News Observer*, January 29, 2001.

[493] See North Carolina's legislative Web site at *www.ncga.state.nc.us*.

[494] Staff Report, "Charter School Cap Assailed," *Carolina Journal*, February 5, 2001.

[495] See North Carolina's legislative Web site at *www.ncga.state.nc.us*.

gious groups, led by North Carolina Citizens for a Sound Economy, opposes the lottery.[496]

The school board in Wayne County voted unanimously in April 2001 to cancel its contract with the for-profit Edison Schools to run two Goldsboro Schools, even though two years remain on the contract. School officials in Goldsboro said the Edison schools cost the district as much as $300,000 a year more than expected. Edison officials defend the additional cost as an "annual adjustment factor" in the contract.[497]

Concern over the quality of education and how it affects the economy is growing in the state, as it is nationwide. North Carolina Citizens for a Sound Economy has scheduled an Education Summit for August 2001 in Charlotte to bring together national and local education leaders to discuss options for the future of education and school choice in the state.[498]

Position of the Governor / Composition of the State Legislature

Governor Michael F. Easley, a Democrat, strongly opposes vouchers, claiming that they would drain needed money from the public schools. Both houses of the legislature are controlled by Democrats.

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[496] *Ibid.*

[497] EducationNews.org, April 17, 2001, see *www.educationnews.org.*

[498] E-mail correspondence from Linda Williams of South Carolina Citizens for a Sound Economy, May 11, 2001.

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NORTH DAKOTA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 32nd out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 113,434
- Number of schools (1998–1999): 555
- Current expenditures: $502,674,000
- Current per-pupil expenditure: $4,431
- Amount of revenue from the federal government: 11.7%
- Evaluation of school performance: N/A

K–12 Public School Teachers (2000–2001)

- Number of teachers: 8,064
- Average salary: $30,891
- Students enrolled per teacher: 14.1
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests North Dakota Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	2% (2%)	4% (4%)	3% (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	22% (18%)	29% (19%)	38% (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	51% (42%)	44% (38%)	37% (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	25% (38%)	23% (39%)	22% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 14th out of 26 states

Background

North Dakota students continue to perform well on several national academic indicators. The legislature increased spending by 4.2 percent in the 2000 biennial budget without calling for any form of school choice.[499] South Dakota has offered statewide open-enrollment among public schools since 1949.[500]

Developments in 2001

The 2001 legislature amended the state's enrollment policy to extend open enrollment to students transferring from another state.[501]

Position of the Governor / Composition of the State Legislature

Governor John H. Hoeven, a Republican, has expressed no immediate interest in charter schools or school choice. Both houses of the legislature are controlled by Republicans.

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[499] "Quality Counts," *Education Week*, Vol. XIX, No. 18 (January 13, 2000), p. 144.

[500] Information provided by the North Dakota Family Alliance, May 25, 2001.

[501] *Ibid.*

OHIO

State Profile (Updated July 2001)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 85
  Number of students enrolled in charter schools (fall 2000): 18,081
- Publicly funded private school choice: Yes (Cleveland Scholarship Program)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 18th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,821,000
- Number of schools (1998–1999): 3,732 schools
- Current expenditures: $11,677,811,000
- Current per-pupil expenditure: $6,413
- Amount of revenue from the federal government: 5.9%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 155,765
- Average salary: $42,716
- Students enrolled per teacher: 15.7
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Ohio Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 14th out of 26 states

Background

Ohio became the fifth state to enact statewide open enrollment in 1990. Its schools are required to accept students from within their district as long as space is available. Students may transfer between districts, with the state's share of funding following them to the new school; but districts can opt out of this program. Ohio also offers post-secondary enrollment options. High school students may enroll in college courses at nearby universities and community colleges.

In 1997, the legislature approved a provision in the budget of then-Governor George Voinovich, a Republican, to set up a pilot charter school program in Lucas County (the Toledo area) and to allow conversions of public schools to charter schools throughout the state.

Ohio is home to the nation's first publicly funded private school choice program that includes religious schools. On June 30, 1995, Governor Voinovich signed a two-year budget package that created a $5 million pilot voucher program in Cleveland, where it was championed by Councilwoman Fannie Lewis (D). Beginning in 1996, the Cleveland Pilot Project Scholarship and Tuitioning Program initially allowed the parents of 2,000 elementary school students to use vouchers for tuition at a public, private, or religious school of choice. The vouchers of up to $2,250 were awarded to approximately 3,500 low-income children. During the 1998–1999 school year, 59 private schools participated in the program. In 2000–2001, the program provided 3,688 scholarships at an average cost of $1,650. The program is currently under litigation.

Features of the Cleveland voucher plan include:

- Broad eligibility for any student residing in the Cleveland city district and enrolled in grades K–3.
- Broad eligibility for any state-chartered private school, whether religiously affiliated or not.
- Scholarships not to exceed $2,250 in value. Students whose family income is below 200 percent of the poverty line receive vouchers worth 90 percent of private school tuition or $2,250, whichever is less. All other students receive vouchers worth 75 percent of tuition. Each year, a grade level has been added to the eligibility list up to and including the 8th grade. Schools agree to accept $2,500 per child as payment in full for educational services.
- The opportunity for Cleveland public schools to keep up to 55 percent of state aid per-pupil for each child that takes advantage of a voucher, even if parents accept the maximum voucher amount (worth 45 percent of state aid or $2,250) to spend on private school tuition.

More than 6,800 parents applied for vouchers for the 1996–1997 school year, and about 1,855 children participated. By September 1999, nearly 3,500 students—approximately 5 percent of the public school enrollment in Cleveland—were using the vouchers.

In January 1996, the American Federation of Teachers challenged the constitutionality of the school choice plan and asked for a court injunction. On July 31, 1996, Franklin County Common Pleas Judge Lisa Sadler ruled that the legislatively approved Cleveland plan did not violate the state or U.S. constitutions. She noted that the religion clauses of the state constitution are no more restrictive than the First Amendment, and that, because the "nonpublic sectarian schools participating in the scholarship program are benefited only indirectly, and purely as the result of the genuinely independent and private choices of aid recipients," allowing religious schools to be included in the voucher program did not violate the First Amendment. Opponents appealed the decision.

In May 1997, the Ohio Court of Appeals struck down the Cleveland pilot scholarship program by a vote of 3 to 0. It ruled that the program violated the religious establishment clauses of both constitutions as well as a provision in the state constitution requiring general laws to have statewide application. The Ohio Supreme Court granted a motion to stay on July 24, 1997, which allowed the Cleveland scholarship program to continue operating while appeals were filed by supporters.

A 1997 study by Jay P. Greene of the University of Texas at Austin, William Howell of Stanford University, and Paul Peterson of Harvard University showed that 63 percent of parents using the scholarships were "very satisfied" with the "academic quality" of their new schools, whereas only 30 percent of those who applied but did not receive a voucher were happy with the public schools in which their children remained.[502]

In May 1998, an amendment to the Cleveland voucher legislation by Representative Mike Wise (R–15) to require the Cleveland school district to provide transportation to students in the scholarship program was approved by both houses of the legislature.[503] This measure significantly decreased the number of students who had to rely on taxicabs to get to the new school of choice. During the 1997–1998 school year, 565 of the 2,938 students enrolled took the school buses to school, while 1,084 were transported to school by taxi. The next year, 1,853 of the 3,744 students enrolled took the school buses, while only 95 were transported to school by taxi.[504]

A study released in September 1999 by Kim Metcalf of Indiana University found that the Cleveland scholarship program was already achieving its objectives:[505]

- Scholarship students showed a small but statistically significant improvement in their achievement scores in language and science;
- The program was effectively serving the populations for which it was intended; the majority of children participating in the program were unlikely to have enrolled in a private school without a scholarship;
- Parents' perceptions of and satisfaction with their children's schools had substantially improved; and the two most important factors for considering a new school were quality of education and safety.

In May 1999, the Ohio Supreme Court struck down (by a vote of 5 to 2) the Cleveland scholarship and tuitioning program on procedural grounds in *Simmons–Harris* v. *Goff*. However, it emphasized in a separate ruling (4 to 0) that the program did not violate the First Amendment and that "whatever link between government and religion is created by the school voucher program is indirect, depending only on the genuinely independent and private choices of individual parents." The state legislature was found to have violated a constitutional requirement for "one subject" legislative bills by attaching the Cleveland choice program language to an appropriations bill. This ruling allowed the scholarship program to continue until the end of the school year and gave the legislature the opportunity to reauthorize the scholarship plan in a one-subject bill.[506]

On June 24, 1999, the legislature approved a two-year $17.2 billion state education budget that included a provision for the Cleveland scholarship program. This new measure was signed into law on June 29.[507] Soon after the law was passed, the Ohio Education Association, American Civil Liberties Union, and People for the American Way filed suit in federal court to challenge the program on First Amendment grounds and obtain a preliminary injunction (even though the state Supreme Court had already rejected an identical claim the year before). On August 24, Judge Solomon Oliver ruled that the Cleveland program was unconstitutional and granted a preliminary injunction because most parents were using the vouchers to send their children to religious schools. The ruling, handed down as the school year was just about to begin, caused a huge public outcry when it left some 3,800 voucher recipients scrambling to find an acceptable public school to attend.

Judge Oliver modified his ruling several days later to allow current voucher recipients to remain in the program for one semester until a ruling on the program's constitutionality was handed down. On November 5, 1999, the U.S. Supreme Court granted a stay of the injunction against the Cleveland school choice program; but on December 20, Judge Oliver ruled that the program constitutes a form of "government-supported religious indoctrination" and therefore was unconstitutional. Judge Oliver based his ruling on the fact that 46 out of the 56 schools participating in the program were religious schools, and he argued that this denied parents a "genuine choice" between religious and non-religious schools. The decision was appealed to the U.S. Court of Appeals for the Sixth Circuit. In the meantime, the parties on both sides of the case agreed to allow the 3,500 students in the program to remain in their schools until a final decision was reached.

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[502] The research can be found at *www.data.fas.harvard.edu/pepg*.

[503] The Blum Center, *Educational Freedom Report*, No. 60, June 19, 1998.

[504] *Ibid.*

[505] Dr. Kim Metcalf, "Evaluation of the Cleveland Scholarship and Tutoring Grant Program, 1996–99," Indiana Center for Evaluation, Indiana University, September 1999.

[506] The Friedman–Blum *Educational Freedom Report*, No. 72, June 18, 1999.

[507] The Friedman–Blum *Educational Freedom Report*, No. 73, July 23, 1999.

The U.S. Court of Appeals for the Sixth District declared the Cleveland school choice program unconstitutional in December 2000 on the grounds that government funding of private tuition crosses the line separating church and state by promoting religious education. The Cleveland scholarship and tuitioning program was in its fifth year, and provided some 4,000 low-income students with publicly financed vouchers worth up to $2,250 to help them pay private school tuition. Lawyers from both sides of the case said that the decision could clear the way for the U.S. Supreme Court to consider the issue of whether tax dollars can be used to enable students to attend private and parochial schools.[508]

A June 1999 survey by Paul Peterson of Harvard University's John F. Kennedy School of Government had revealed that more parents participating in Cleveland's voucher program were "very satisfied" with many aspects of their children's schools than were parents with children still in public school (nearly 50 percent versus less than 30 percent respectively). The findings also revealed that voucher parents were more satisfied with discipline and safety at their schools.[509]

A study released in November 1999 by the Columbus-based Buckeye Institute argued that school choice in Cleveland provided better racial integration than did the regular public school system. The study, conducted by Jay P. Greene from the University of Texas at Austin, a research associate at Harvard University's Program on Education Policy and Governance, found that 19 percent of Cleveland's voucher recipients attended private schools that had a racial composition resembling the average for the Cleveland area. Only 5.2 percent of Cleveland public school students were being educated in comparably integrated schools. And while 61 percent of public school students attended schools that had primarily white or minority populations, only 50 percent of voucher-receiving students were educated in a homogenous environment.

A 2000 study of Dayton's PACE private scholarship program by Paul Peterson, William Howell, and Patrick Wolf of Georgetown University found that African-American students in grades 2–8 scored, on average, nearly 7 percentile points higher in math than those who did not receive scholarships.[510]

On the 2000 proficiency tests, charter school students did worse than students in the academically distressed districts they had left. The passage rate for these students was well below state averages for public schools. State education officials said the charter schools' newness was partially responsible for the poor showing; about two-thirds of the charter schools were first-year schools, the charter school enroll children who have typically fallen behind in public school, and in some cases, the students had been in the schools only six months before they were tested.[511]

Senator Roy L. Ray, an Akron Republican, introduced a bill in the legislature to restore some of the state aid to school districts that had lost more than 1 percent of their student enrollment to charter and community schools. Tax dollars follow students who transfer from public schools to charter schools. According to the state Department of Education, Cleveland lost about 2,073 students and $10 million in 1999 to charter and community schools and spent nearly $1 million busing those students.[512]

Demographic statistics on charter schools became available in December 2000 from the Cincinnati public schools system. Of the nearly 3,400 students who attended one of the city's 12 charter schools, more than a third came from four city neighborhoods. In each of these neighborhoods (Cumminsville/Northside, Fairmount, Avondale, and Roselawn) more than 250 students had chosen a charter school over a public school. The study also found that more than 80 percent of students enrolled in the Cincinnati charter schools were African-American. John Rothwell, Cincinnati's charter school manager, said the racial breakdown reflects what was happening nationally. He attributes the demographic patterns to two factors: geographic (students living close to a charter school are more likely to attend) and socioeconomic, saying "poor folks are exercising options that folks with money always had."[513]

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[508] Kenneth Cooper, "Appeals Court Rejects Vouchers in Cleveland as Unconstitutional," *The Washington Post*, December 12, 2000.

[509] See Harvard University Web site at *data.fas.harvard.edu/pepg*.

[510] *Ibid*.

[511] Scott Stephens, "Charter Schools Don't Do Well on State Exams," *The Cleveland Plain-Dealer*, June 27, 2000.

[512] Stephen Ohlemacher, "Bill Targets Charter-School Funding Drain," *The Cleveland Plain-Dealer*, July 12, 2000.

Ohio Supreme Court Justice Alice Robie Resnick's November re-election once again put pressure on Republican lawmakers to find a better way to fund Ohio's schools. In two 4–3 decisions, Resnick, writing for the majority, ordered lawmakers to fix the state's inadequate school funding system, scolding them for failing to reduce schools' reliance on property taxes.[514]

Most greater Cincinnati school districts had improved their academic, attendance, and graduation rates since 1999, according to preliminary school district report cards released in December 2000. However, Cincinnati public schools fared worse, dropping from achieving six of 27 total performance standards to five. Moreover, two other districts—New Miami Local and Mouth Healthy City—ranked on the lowest part of the scale as an "academic emergency."[515]

A new privately funded scholarship program for low-income Columbus families was created in 2000. Children First Columbus, founded by Thomas Needles and other private benefactors, provides scholarships as an affiliate of Children First CEO America. The 100 scholarships for at least $750 are awarded on a first-come, first-served basis.[516]

Dayton, Toledo, and Cincinnati became three of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, matches money raised by residents in those cities to fund approximately 1,500 private scholarships for low-income students to attend a school of choice. A lottery awarded the minimum four-year scholarships to children entering kindergarten through 8th grade. In Dayton, the CSF partnered with the city's existing private choice program, PACE, which expanded to serve at least 900 students in 1999–2000.[517] In a computer-generated lottery, 750 scholarship recipients were chosen from 5,824 applicants in Dayton; 500 were chosen from 6,606 applicants in Toledo; and 250 recipients were chosen from 12,468 applicants in Cincinnati.

Developments in 2001

The Cincinnati area could be home to 16 new charter schools next year if all applications submitted to the state Department of Education are approved. The state has received 86 applications from individuals and non-profit groups seeking permission to open schools across the state; 11 are for Cincinnati alone. Cincinnati schools superintendent Steven Adamowski said he welcomes the competition. Currently, 12 charter schools operate within the city.[518]

The Akron Education Association, a teachers union, is planning to start its own publicly funded, privately run high school. This union-run charter school would be the first of its kind in the state. The goal is to compete with charter school operators such as Akron's David Brennan who receive more than $5,000 in state aid for each student they enroll, and "to put ourselves out of business by putting charter schools out of business," said AEA Vice President Neil Quirk.[519] The AEA school would get the same money as other charter schools, but union leaders promised to return about half of it to the district.

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[513] Andrea Tortora, "Charter Schools Draw from 4 Areas," *The Cincinnati Enquirer*, December, 19, 2000.

[514] Spencer Hunt, "School Funding Crisis Remains," *The Cincinnati Enquirer*, November 11, 2000.

[515] Jennifer Mrozowski and Andrea Tortora, "Many Schools' Report Cards Improve," *The Cincinnati Enquirer*, December 19, 2000.

[516] News release, Children First Columbus, July 19, 2000.

[517] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[518] Andrea Tortora, "OK Sought For Charter Schools, 16 Apply From Cincinnati Area," *The Cincinnati Enquirer*, January 11, 2001.

[519] Reginald Fields, "Charter School Turf War," *The Beacon Journal*, February 8, 2001

Ohio charter schools are doing a better job of retaining students. During the 1999–2000 school year, nearly 30 percent of students who left Cincinnati public schools for a charter school returned to the public schools. For 2000–2001, the return rate is 15 percent. According to J.C. Benton, spokesman for the Department of Education, "the charters have established their presence in the state and the interest is there with parents as an innovative approach to education."[520]

Children in the state's 21 largest urban school districts are making steady academic progress and meeting more state standards. On average, the districts met 6.5 of the 27 standards set by the Department of Education on the 2001 state report card, a 51 percent increase over the 1999 report card average of 4.3 standards.[521]

On March 13, 2001, the U.S. Court of Appeals decided that the Cleveland scholarship program could continue operating while supporters seek a U.S. Supreme Court review of the decision striking down the program. Observers are optimistic that the Supreme Court will overturn the lower court decision.[522]

The Senate passed a bill (S.B. 1) in March to require districts and charter schools to provide assistance to students scoring below the "proficient" range on a 4th, 5th, or 7th grade achievement test.[523] The bill was signed into law on June 12.

In May, several education groups, including the Ohio Federation of Teachers, the Ohio AFL–CIO, the Ohio School Boards Association, and the Ohio PTA, filed the nation's first lawsuit challenging charter school funding.[524] The union's lawsuit charges that Ohio's charter school program illegally diverts funds from regular public schools and that new schools operate with little oversight by local school boards and taxpayers, in violation of the state's constitution. The union lawsuit also claims that the program violates a stipulation in state law that all charter schools must operate as non-profit corporations.[525] According to Jeanne Allen of the Center for Education Reform, the unions' real concern is about losing control, not improving education.[526]

In April 2001, several Republican lawmakers unveiled proposals to expand community school and voucher programs, saying that they wanted to keep the school choice movement at the forefront of the ongoing education debate. State Senator Ron Amstutz (R–Wooster) and State Representative James Trakas (R–Independence) introduced a bill to increase the maximum scholarship provided under the Cleveland voucher program from $2,250 to an amount matching the state's basic aid amount. Amstutz and Trakas acknowledged that S.B. 89 was an attempt to provide enough funding via vouchers to allow qualified parents to send their children to non-religious schools.[527] Another bill (H.B. 204) proposed "child-centered scholarships" or vouchers given to students in school districts that are in "academic emergency." Both bills remain in committee.[528]

Senator Jim Jordan (R–Urbana) and Representative Mike Gilb (R–Findlay) proposed a bill to allow tax credits of up to $10,000 toward the corporate franchise tax and $500 for the personal income tax for those who contribute to non-profit scholarship groups. Gilb said the bill (H.B. 202/S.B. 90) would "provide parents the power … and the tools they need to educate their children in the best schools possible."[529]

A measure proposed by Representative Jon Husted (R–Kettering) and Senator Lynn Wachtmann (R–Napolean) would amend charter school law by, among other things, creating a state Board of Community Schools to review and approve proposals for new schools, and to monitor them for effectiveness. It does not address the 125-school cap on charter schools, but Husted said that the bill would authorize startups in districts under the Department of Education's "academic watch" declaration and provide equitable funding for special and vocational education and transportation.[530]

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[520] Andrea Tortora, "Charters Keep More Pupils," *The Cincinnati Enquirer*, March 5, 2001.

[521] Sue Kiesewetter, "Low-Rated Schools See Slow, Steady Progress," *The Cincinnati Enquirer*, March 8, 2001.

[522] Center for Education Reform Newswire, March 13, 2001; see *www.edreform.com*.

[523] See analysis at *www.lsc.state.oh.us*.

[524] See *www.stateline.org*, May 17, 2001.

[525] Andrea Billups, "Ohio Teachers Challenge Charter Funds," *The Washington Times*, April 6, 2001.

[526] See *www.stateline.org*, May 17, 2001.

[527] Gongwer News Service, *Ohio Report*, Vol. 70, No. 66 (April 4, 2001).

[528] See National School Board Association at *www.nsba.org/novouchers*.

[529] *Ibid.*

In June 2001, the Bush Administration filed a brief urging the U.S. Supreme Court to review the decision of the Sixth Circuit Court of Appeals that struck down Cleveland's school choice program. The Administration does not believe the program violates the constitutional ban on government promotion of religion. By filing an uninvited brief in the nation's top court, the Bush Administration appeared to signal its intent to press the case for school voucher programs.[531] "This is the first case," declared Clint Bolick, litigation director of the Institute for Justice that has defended the Cleveland program as well as other school choice programs, "in which thousands of children will be forced to leave good schools if the Court fails to grant review."[532]

The Center for Education Reform also filed an *amicus* brief with the Supreme Court on June 25. The 17-page brief presents the argument that the Cleveland scholarship program is part of a 25-year-old effort to bring the Cleveland public schools into compliance with a desegregation order.[533]

Position of the Governor / Composition of the State Legislature

Governor Robert Taft, a Republican, favors both public school choice and the use of vouchers. He supports Cleveland's voucher program and wants to expand the reach of Ohio's charter school system. Both houses of the legislature are controlled by Republicans.

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[530] *Ibid.*

[531] Associated Press, "Supreme Court Urged to Study School Vouchers," *Los Angeles Daily News*, June 23, 2001.

[532] E-mail correspondence from Maureen Blum of the Institute for Justice, June 25, 2001.

[533] Center for Education Reform Newswire, June 26, 2001; see *www.edreform.com*.

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OKLAHOMA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1999
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 7
  Number of students enrolled in charter schools (fall 2000): 1,450
- Publicly funded private school choice: N/A
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 31st out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 631,910
- Number of schools (1998–1999): 1,818
- Current expenditures: $3,699,854,000
- Current per-pupil expenditure: $5,855
- Amount of revenue from the federal government: 8.7%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 41,170
- Average salary: $34,434
- Students enrolled per teacher: 15.3
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Oklahoma Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	5% (6%)	1% (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	25% (23%)	28% (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	36% (31%)	51% (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	34% (39%)	20% (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 18th out of 26 states

Background

A bill in 1995 sought to amend the state constitution to allow scholarships for children in elementary and secondary public or private schools. Under S.J.R. 17, the legislature would be authorized to develop a funding system that compiled all school operational funds into a single K–12 account. The state Treasurer would then determine appropriate scholarship amounts that were equal to or less than the state per-pupil expenditure for parents who send their children to public school and 50 percent to 70 percent of that amount for parents who choose private schools. The bill was defeated. Despite several attempts, publicly funded private school choice programs have not succeeded in the state.

In June 1999, Oklahoma became the 36th state to enact a charter school law, the Oklahoma Charter Schools Act. It allows local school boards and career-technology centers to charter public schools in districts with 5,000 or more students (mainly Oklahoma City, Tulsa, and their surrounding communities and suburbs); and it allows the staff to have the option of collective bargaining. The bill also included the Education Open Transfer Act to allow interdistrict public school choice.

In 2000, a group called Parents for a New Middle School received the first state board–approved charter.[534]

Developments in 2001

Governor Frank Keating, a Republican, proposed a new $100 million spending initiative that would have provided $80 million in block grants to public schools that showed improvement or achieved certain standards of success. Senator Cal Hobson, a Democrat and chairman of the Senate Appropriations Subcommittee on Education, was the plan's most vocal opponent. The subcommittee struck down the proposal by a voice vote, citing current education mandates that have not yet been allocated their required funds from the state budget. Governor Keating believes the issue will be revived in budget compromises this session.

Two choice bills were introduced in 2001:

1. H.B. 1818 to establish an income tax credit for private school tuition. The bill states the credit would be "for the full amount of a scholarship funded by an individual for purposes of allowing a student not over the age of eighteen (18) to attend a private school."
2. H.B. 1473 to authorize a $500 tax credit for tuition and fees paid to public or private elementary or secondary schools. The credit would be available to taxpayers whose dependent is enrolled in private school.

Both bills died in committee.[535]

Position of the Governor / Composition of the State Legislature

Governor Frank Keating, a Republican, supports both public and private school choice. Both houses of the legislature are controlled by Democrats.

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[534] Center for Education Reform Newswire, March 8, 2000; see *www.edreform.com*

[535] See National School Board Association at *www.nsba.org/novouchers*.

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OREGON

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited
- Charter school law: Established 1999
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 13
  Number of students enrolled (fall 2000): 752
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 5th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 550,749
- Number of schools (1998–1999): 1,271
- Current expenditures: $4,761,413,000
- Current per-pupil expenditure: $8,645
- Amount of revenue from the federal government: 6.6%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 28,980
- Average salary: $42,333
- Students enrolled per teacher: 19.0
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Oregon Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	2% (2%)	2% (2%)	4% (4%)	3% (3%)
Proficient	(24%)	23% (23%)	31% (28%)	19% (18%)	22% (19%)	29% (24%)
Basic	(31%)	33% (31%)	45% (41%)	44% (42%)	41% (38%)	36% (33%)
Below Basic	(37%)	39% (39%)	22% (28%)	35% (38%)	33% (39%)	32% (40%)

- SAT weighted rank (2000): 1st out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

In Oregon, supporters of choice tried several times to achieve parental choice through the ballot initiative and referendum process; they failed. In 1990, the voters rejected an initiative introduced by Oregonians for School Choice, a grassroots parent organization. The initiative, known as Measure 11, would have given parents a refundable tax credit worth up to $2,500 to send their children to the public or private school of choice or to pay for home schooling. The initiative was defeated by a 2 to 1 vote, but the campaign for it galvanized a grassroots coalition behind choice.

In Oregon, districts are free to arrange with neighboring districts what they call "inter-district transfers." If a child attends a school in a neighboring district, the home district transfers the per-pupil expenditure to that district.[536]

In 1997, the Oregon School Choice Task Force spearheaded a bill to allow state funding to go directly to parents to send their children to public, private, or religious schools of choice. The bill never cleared the House Education Committee. The task force also drafted a constitutional amendment to allow a tuition tax credit.

In 1999, the House Education Committee approved H.B. 2597-2 to give a $250 tax credit for contributions to K–12 public or private school scholarship foundations. The bill died in the House Revenue Committee.

The governor signed into law a moderately strong charter school law (S.B. 100) on May 29, 1999.[537] The legislation provides charters for non-profit, 501(c)3 public charities. It allows an unlimited number of charters for fully autonomous schools. A restriction in the law to allow no more than 10 percent of the students in any district to attend a charter school will be eliminated on January 1, 2003. The law also allows conversions of existing public schools with the consent of the local school board, as well as alternative sponsorships. Denials of charter applications may be appealed to the state Board of Education, whose members are appointed by the governor. If the state board is unable to mediate the dispute, it may grant the application and assume sponsorship of the charter school itself. If the state board denies the application, the applicant may still seek judicial review.

The charter school law allows charter schools to become separate bargaining units and their teachers to choose to remain in the same union, join a new union, or choose no union. It requires annual financial audits and sponsor site visits, and requires districts to pay charter schools at least 80 percent of their share of per-pupil state funding (95 percent for grades 9–12) within 10 days of the district's receipt of the funds from the state. It allows charter schools to hire the most qualified teachers available, as long as at least 50 percent of the faculty hold certificates; and it allows the charter holder to contract with for-profit corporations (such as Edison Schools) to run the school.

The charter law offers charter schools blanket waivers from most of the "compliance-based" Oregon Education Code, except those provisions directly related to health, safety, civil rights, public records, public meetings, and academic standards and testing. The law gives the state Board of Education the power to waive any requirement if it determines the waiver would (among other things) "enhance the equitable access by under-served families to the public education of their choice."

Charter schools may not assume responsibility for a child's special education needs without permission from the district. If parents of special needs children enroll them in a charter school, the district retains the financial responsibility for providing all required special education services, unless it specifically contracts with the charter school or other provider to assume that responsibility.

In May 2000, the Portland school board rejected a charter proposal from a school to contract with a for-profit charter management company. The board held that the state charter law did not allow for such an arrangement.[538] The state's attorney general in September 2000 overruled the Portland school board and affirmed the right of charter schools to contract with a for-profit management firm.[539]

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[536] E-mail correspondence from Rob Kremer of the Oregon Charter School Service Center, July 27, 2001.

[537] See Oregon Department of Education Web site at *www.Oregoncharters.org*.

[538] Betsy Hammond, "Charter School Supporters Seek State OK of For-Profit Operation," *The Oregonian*, May 24, 2000.

Opponents of the charter school law obtained fewer than half of the 66,286 signatures needed to place an initiative to repeal the law on the November 2000 ballot.

Charter school proponents founded a statewide advocacy group, the League of Oregon Charter Schools, to lobby for charter school rights. Since Oregon enacted its first charter school law in 1999, organizers of 17 schools won charters and the state Department of Education awarded federal start-up grants to about two dozen applicants.[540] A charter school technical assistance organization known as the Oregon Charter School Service Center was established at the Columbia Education Center to help charter school development teams win approval for their schools.[541]

Portland became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton, matches money raised by Portland residents to fund approximately 500 private scholarships for low-income students to attend a school of choice. A lottery in April 1999 awarded the minimum four-year scholarships to children entering kindergarten through 8th grade the following year.[542] The 500 recipients were selected in a computer-generated lottery from 6,639 applicants.

Developments in 2001

The Oregon Education Coalition sponsored legislation to expand the current charter school law and to refer to the voters a $500 scholarship tax credit, similar to Arizona's tax credit.[543] Two choice measures have been introduced:

1. H.J.R. 2 would establish a constitutional amendment to allow a tax credit, deduction, or other tax expenditure for contributions to education investment accounts for payment of public or private school tuition and fees. The public would vote on it in the next regular general election. The resolution received a hearing but no action has been taken.
2. H.B. 2091 would authorize a tax deduction for education expenses. The "family education financing program" bill would allow education investment accounts. It would permit subtractions from taxable income for contributions to these accounts and tax-free withdrawal to pay eligible expenses for public elementary and secondary education, home schooling, and higher education. It would expand eligible expenses to include private elementary and secondary education expenses if voters approve H.J.R. 2 in the next regular general election.[544]

Both bills remain in committee.

Students at the Pioneer Youth Corps Military Academy, a charter school in Eugene, have improved their scores by one letter grade in just one semester. Over 80 percent of the students are from families whose incomes are below the poverty level, and most them came to the charter school because they were failing in their mainstream public school. Parents reported improved behavior at home with their children showing increased motivation and responsibility.[545]

Position of the Governor / Composition of the State Legislature

Governor John A. Kitzhaber, a Democrat, is a lukewarm supporter of charter schools. He is opposed to vouchers and tax credits. Both houses of the legislature are narrowly controlled by Republicans.

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[539] Michael Ottwy, "Directive Allows Businesses to Run Charter Schools in State," *The Oregonian*, September 7, 2000.

[540] Anne Williams, "Charter Schools Seek More Influence," *The Register Guard*, December 28, 2000.

[541] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 12 (2001).

[542] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[543] Phone conversation with Steve Buckstein, Cascade Policy Institute, January 31, 2001.

[544] See National School Board Association at *www.nsba.org/novouchers*.

[545] Center for Education Reform Newswire, May 2, 2001; see *www.edreform.com*.

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PENNSYLVANIA

State Profile (*Updated June 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 65
  Number of students enrolled (fall 2000): 17,667
- Publicly funded private school choice: Yes (Corporate income tax credit)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 33rd out of 50 states

K–12 Public Schools and Students (2000–2001):

- Public school enrollment: 1,811,033
- Number of schools (1998–1999): 1,139
- Current expenditures: $13,498,924,000
- Current per-pupil expenditure: $7,454
- Amount of revenue from the federal government: 5.5%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 117,200
- Average salary: $49,500
- Students enrolled per teacher: 15.5
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Pennsylvania Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	1% (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	19% (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	48% (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	32% (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): 20th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Pennsylvania does not have public school choice, but it has come close to enacting vouchers at least three times in the past decade.

In 1997, the legislature passed a charter school bill to permit an unlimited number of new charter schools to open once they receive approval from the local school board. At least 75 percent of a charter school's teachers must be certified, and the school must comply with health, safety, and discrimination laws. All other regulations would be waived. The bill sets aside approximately $1.4 million in state funds for planning and start-up costs, and up to $25,000 in planning grant money, for each charter school. It also allots $7.5 million over two years to cover "legitimate transition expenses."

In December 1997, the Legislative Commission on Restructuring Pennsylvania's Urban Schools, a bipartisan panel of 17 government, business, public education, and African–American leaders, recommended the adoption of a limited school choice pilot program for 3,000 children statewide and a program of "opportunity scholarships" for children from "academically distressed" school districts.

In March 1998, in an effort to provide parental choice and deal with rising education expenditures, the Southeast Delco School District approved a program of tax benefits for families who send their children to private schools or public schools in other districts. The program was challenged by the teachers union and others for allegedly violating the state constitution and state statutes (but not the U.S. Constitution). The court ruled against the school district, holding that the program exceeds its statutory powers.

Before the case went to trial, Judge Joseph F. Battle declared that nothing in Pennsylvania's public school code supports allowing districts to provide tuition reimbursements. But the court addressed only statutory issues surrounding the plan, not its constitutionality. The case then was heard by the state Court of Appeals, which rejected the suit on similar grounds. Finally, in December 1999, the Commonwealth Court ruled that the plan conflicted with state law but again did not address the constitutionality of choice. Therefore, this case conceivably could be trumped by state legislation declaring that districts may experiment with tuition reimbursement.[546]

On May 26, 1998, Cardinal Anthony Bevilacqua, Archbishop of Philadelphia, sent a letter to then Mayor Edward Rendell and district superintendent David Hornbeck proposing a voucher plan to help alleviate several problems the district faced. On June 5, he broadened his request for school choice in the Philadelphia area by sending similar letters to officials in 10 suburban districts that suffered from overcrowding or money problems. His requests were greeted with silence.

A survey conducted by the Annenberg Public Policy Center at the University of Pennsylvania found that 68.8 percent of city residents supported school choice.[547] The question asked of 1,820 residents was: "Do you favor or oppose the use of vouchers that allow a parent to send children to any school of their choice, whether public or private, and receive a discount for tuition at that school?" Only 25 percent of respondents opposed the idea, with 5.8 percent undecided. A majority of parents with school-age children supported the idea of vouchers, regardless of religious affiliation. Protestants favored vouchers by 82 percent to 15 percent; self-described Christians and non-Christians favored vouchers by a 3 to 1 ratio; and Jewish respondents favored vouchers by 50 percent to 43 percent. A racial breakdown of respondents showed that black residents favored vouchers by 72 percent to 22 percent; whites favored them by 65 percent to 28 percent; and Hispanics favored them by 79 percent to 16 percent.

In March 1999, Governor Tom Ridge introduced the Academic Recovery Act to identify eight troubled school districts in the state and offer educators in those districts greater flexibility in managing their schools. The bill would allow them to create charter schools, privatize services, and hire teachers without certification. It would provide a voucher to parents in the struggling districts to send their children to a public, private, or religious school of choice. The plan also would empower the state to take over failing school districts that are declared "academically bankrupt."[548]

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[546] Deidre Shaw, "School Vouchers Are Ruled Illegal," *The Philadelphia Inquirer*, October 16, 1998.

[547] W. Russel G. Byers, "Solid Poll Position for School Vouchers in City," *Philadelphia Daily News*, April 22, 1999.

The governor's bill was later reconfigured into a plan that includes restructuring distressed school districts, providing education recovery grants for students in failing schools, and creating as a local option an opportunity grant program. The plan ultimately was scaled down to assist 7,500 students in Delaware County immediately, and to place the rest of the state under a two-year delay (making failing districts eligible for extra services and funds) before vouchers would kick in. Because it was uncertain that it had sufficient votes to pass the state House, the plan was withdrawn from consideration.[549] The governor vowed to continue pushing for these reforms.

The existing charter law's two-year moratorium on appeals of applications denied by local school boards expired in 1999. The legislature adopted a plan to create a charter school appeals board for charter applications rejected by school boards. The Appeals Board has the authority to approve the application and allow the school to open. Of the first 28 cases it considered, the Appeals Board decided 14 in favor of the local boards and 14 in favor of the applicants.

The 1999 Philadelphia mayoral race was won by John Street (D), who opposes vouchers but supports charter schools.[550]

A study by the state Department of Education released on March 13, 2000, reported that "charter schools are proving themselves as innovative and effective educational opportunities for Pennsylvania students."[551]

A Western Michigan University study of Pennsylvania's charter school students found that after just two years, they improved their scores in state assessments by over 100 points.[552]

On May 10, 2000, Governor Tom Ridge signed into law the Education Empowerment Act, which has been described as the most extensive school reform in the nation. Effective since July 1, 2000, the act is designed to give school districts new tools to improve education and $25 million in grants to help implement these changes. The act affects 12 school districts in which 50 percent or more of the students are scoring in the bottom quartile on state assessment tests. These districts have a combined enrollment of more than 250,000 students, most in Philadelphia. If after three or four years these districts are unable to improve, a new team led by the Secretary of Education (and called a Board of Control) will take over. In addition, any of the state's 501 school districts could petition the Secretary of Education to waive any regulations they feel hinder their ability to function effectively.[553] The Pennsylvania State Education Association, a teachers union, filed suit against the governor and the Education Empowerment Act, claiming that the districts would lose control of their schools.[554]

The Philadelphia school board is working to assemble a corporate-style management team to lead the district. In October 2000, the Philadelphia board appointed Philip R. Goldsmith as interim Chief Executive Officer. Board President Pedro Ramos said the addition of Goldsmith is an important step in the effort to reform the district's operations that "leverages all district resources toward our core mission of educating children."[555]

A team of educators and community leaders are exploring turning over some of the city's low-performing schools to private companies to manage, or convert them to independent charter schools. Schools with high teacher vacancy rates, student safety concerns, and failure in previous reform strategies could be targets for such a change. The team is working to develop an improvement plan required under the Education Empowerment Act, which mandates that

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548. The Friedman–Blum *Educational Freedom Report*, No. 67, January 22, 1999.

549. The Friedman–Blum *Educational Freedom Report*, No. 72, June 18, 1999.

550. Susan Snyder, "Board Postpones Action on Charters. Mayor Street Wants His New School Board to Vote on Charter School Applications. The Current Board Agreed," *The Philadelphia Inquirer*, February 23, 2000.

551. Pennsylvania Department of Education, press release, "Study Finds Overwhelming Majority of Teachers, Parents Believe Charter Schools Meet Their Mission," March 13, 2000.

552. Tamara Henry, "Scores Up for Charter Schools," *USA Today*, March 28, 2001.

553. E-mail correspondence from David Kirkpatrick of the Allegheny Institute, May 11, 2000.

554. Press release, "PSEA Initiates Lawsuit Challenging Empowerment Act," August 1, 2000.

555. Karla Reid, "Corporate-Style Team Sought to Take Charge of Philly District," *Education Weekly*, September 6, 2000.

the system must improve test scores or face a state takeover in three (possibly four) years. The district would receive more than $16 million in funding to help implement its plan.[556]

The Chester-Upland School District in Delaware County became the first school system to be seized by state officials under the Education Empowerment Act. In December 2000, the state Education Secretary approved having the district's Board of Control accept bids from private vendors to run the 11 schools. The district's teachers union entered a partnership with a private for-profit management company, Edison Schools, and it is expected that the two groups will make a bid to run the district jointly.[557]

Jacqueline Heirs, a single mother in West Philadelphia with four children, used a fake address to enroll them in better public schools than her own district offered. She was caught and sent to jail in November 2000 when she failed to comply with a judge's order to reimburse the district for tuition costs. Fortunately, Bill Devlin, president of a local child and family advocacy group called Urban Family Council, paid $660 to cover Heirs' back payments and agreed to help pay the remaining $5,340 she owed the district.[558]

Philadelphia and Pittsburgh were named two of 40 "partner cities" for the Children's Scholarship Fund (CSF) challenge grant in 1998. The CSF is a $100 million foundation that matches money raised by city residents to fund approximately 1,750 private scholarships for low-income students to attend a school of choice. The minimum four-year scholarships were awarded to children entering kindergarten through 8th grade the following year.[559] The recipients were selected randomly by computer-generated lottery. In Philadelphia, 1,250 recipients were chosen from 41,054 applicants; in Pittsburgh, 500 recipients were chosen from 10,308 applicants.[560]

Developments in 2001

In January 2001, then Pennsylvania Secretary of Education Eugene Hickok contracted with Standard & Poor's to create a district-by-district computer model that can track student performance with local spending. "School districts go out of their way to make it difficult to report their results," said Hickok. "We must see how much of our education dollar gets to the classroom and what it purchases in terms of accomplishment.[561]

Top lawmakers have said it is doubtful that a broad voucher proposal could be enacted this year.[562] Governor Ridge, however, successfully advanced two choice bills through the 2001 legislature:

- A $23.6 million plan authorizes spending $500 per child for tutoring services for low-performing elementary school students. Opponents claim this is merely another attempt to open the door to vouchers.
- A school choice tax credit program (H.B. 996), authorizing up to $30 million in corporate tax credits for contributions to organizations that offer scholarships or vouchers to pay private school tuition.[563] Corporations would get a credit against their state taxes of 75 cents for every dollar they invest, and $20 million would be earmarked for donations to non-profit organizations that fund public or private school scholarships. The remainder of the credit would be earmarked for innovative public school programs.[564] This historic legislation, which also includes provisions permitting school boards to establish independent schools (similar in many respects to a charter school

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[556] Susan Snyder, "A City Team Studies How to Intervene for Better Schools," *The Philadelphia Inquirer*, November 11, 2000.

[557] Editorial, "Teacher Union Takes Risk on Privatization," *The Morning Call*, December 17, 2000.

[558] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 10 (2000).

[559] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[560] *Ibid.*

[561] Editorial, "Dollars to Students, Not Districts," *The Wall Street Journal*, January 12, 2001.

[562] Thomas Fitzgerald, "Ridge Aide: Time Not Ripe for Vouchers," *The Philadelphia Inquirer*, February 1, 2001.

[563] See National School Board Association at *www.nsba.org/novouchers*.

[564] Center for Education Newswire, June 5, 2001; see *www.edreform.com*.

law passed in June 1997),[565] was signed into law on May 23, 2001.[566]

Former Secretary of Education William J. Bennett started a Virginia-based education company called K12, which won approval in 2001 to manage the Pennsylvania Virtual Charter School in Norristown. In February, the Norristown Area District school board voted to grant a five-year charter to the Internet-based virtual charter school. K12 will manage the school and provide its curriculum. Set to open in September 2001, the school will be open to any K–12 student in Pennsylvania. The school expects to enroll up to 1,500 students this fall. The Western Pennsylvania Cyber Charter School located near Pittsburgh and the SusQ-Cyber Charter School in Northumberland County are already up and running.[567]

In New Hope-Solebury, the school board rejected a proposal for an online charter school, saying that cyber-schools are not covered by state law. The board stated that online schooling assumes a parent will be at home to assist the student. They claim this discriminates against minorities and low-income families who often cannot afford to have a parent stay home. Members of TEACH, the group that applied for the charter, called that decision groundless and plan to appeal the decision, pointing out that online schools are necessary for the state's neediest children.[568]

Philadelphia's burgeoning charter school movement was dealt a blow in late February by the Board of Education, which voted to deny 22 out of 25 applications submitted by groups that hoped to open their charter doors in fall 2001. Many of the rejected applicants vowed to carry their case to the state's charter school appeals board; several applicants warned the decision could help drive middle-class families from the city in search of quality schools. Mayor Street has endorsed charter schools as a way of keeping middle-class families in the city.[569]

In March 2000, it was reported that the Pennsylvania State Education Association has been recommending that schools turn away student teachers who come from colleges that endorse charter schools. "All Pennsylvanians should be outraged that some of your members are putting their opposition to charter schools before the needs of the children they're supposed to serve," declared then Education Secretary Eugene Hickok. Local district union president, Richard Ashcraft, said of charters, "We feel it's a cancer on public education."[570]

Education officials announced plans in late March to transfer control of an entire school system to three private firms to foster competition and unleash the profit motive to improve student achievement where years of public reform initiatives and management changes have failed. Secretary Hickok hoped the move to private management would provide competition to raise student achievement in the troubled school district. Parents would be allowed to send their children to any other school in the district. "One of the appealing aspects of this plan is that the school board becomes like a general contractor," Hickok said. "You are going to have accountability, choice, alternatives, and competition." The companies selected to run the Chester Upland schools are Mosaica Education, LearnNow, and Edison Schools.[571]

Prominent developer Kenny Gamble and Edison Schools are considering teaming up in a possible takeover of a dozen schools in South Philadelphia. In addition, state Representative Dwight Evans (D–Philadelphia) and a team of experts will propose the establishment of 16 charter schools in the city's West Oak Lane section. With the district facing a $235 million deficit next year and student test scores still foundering, officials say it its time to consider major changes.[572]

State Representative Evans' proposal to create a network of charter schools won support from

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[565] E-mail correspondence from the Pennsylvania Governor's Communications and Press Office, May 10, 2001.

[566] Education Leaders Council press release, "ELC lauds Pennsylvania Governor Tom Ridge for bold, new education reforms," May 23, 2001.

[567] Martha Woodall, "School Board Oks Virtual Charter School," *The Philadelphia Inquirer*, February, 14, 2001.

[568] Oshrat Carmiel, "Online Charter School is Rejected," *The Philadelphia Inquirer*, February 28, 2001.

[569] Mensah Dean, "Charter Learn About Rejection," *Philadelphia Daily News*, February 27, 2001.

[570] Center for Education Newswire, March 6, 2001; see *www.edreform.com*.

[571] Michael Fletcher, "Private Firms Enlisted to Run Troubled Pa. School System," *The Washington Post*, March 23, 2001.

Drexel University's Foundations, Inc., the Teachers College at Columbia University, and the Annie E. Casey Foundation. Teachers College President Arthur Levine, a recent convert to school choice, indicated that the college is "enthusiastic about forging a revolutionary partnership and dynamic alliance."[573]

A new report conducted by Western Michigan University on Pennsylvania's charter schools is good news for charter supporters. The study, commissioned by the Department of Education and released on March 23, found that charter schools are smaller, serve more at-risk students, and serve more minority students than do traditional public schools. Although trailing public schools on standardized tests, they are improving at a higher rate and closing the achievement gap. The study destroys the argument that charters "cream" the best students and do not result in increased academic achievement.[574]

A newly approved charter school is poised to become part of a national network of technology-focused high schools, endorsed by the multibillion-dollar Bill and Melinda Gates Foundation. The High Tech Philadelphia Charter School, scheduled to open in fall 2001, will be modeled after a San Diego charter school that opened in September 2000. The Philadelphia charter will infuse technology in the curriculum and emphasize projects. Students will earn diplomas for mastering a list of skills in academic areas and other areas such as problem-solving and teamwork. "The model combines two of the Governor Ridge's priorities: education reform—charter school education—and attracting high-tech companies to Pennsylvania, making sure our students are learning the kind of high-tech skills that they need," said Gretchen Toner, the governor's deputy press secretary.[575]

Several school districts in Pennsylvania, which has one of the most restrictive home school laws in the country, recently began sending home school families numerous letters misstating the law, requesting unauthorized information, and illegally trying to apply the home school law to a parent teaching a child under the certified tutor option. The Home School Legal Defense Association responded to each school district to explain these errors in interpretation.[576]

Position of the Governor / Composition of the State Legislature

Governor Tom Ridge, a Republican, strongly supports vouchers and charter schools. Both houses of the legislature are controlled by Republicans.

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572. Susan Snyder, "Private Proposals to Take Over 28 Schools," *The Philadelphia Inquirer*, April 26, 2001.

573. Center for Education Reform Newswire, June 12, 2001; see *www.edreform.com*.

574. Center for Education Reform Newswire, March 27, 2001; see *www.edreform.com*. For full report, see *www.wmich.edu/evalctr/charter/pa_reports*.

575. Susan Synder, "Philadelphia Charter School Finds Mentor," *The Philadelphia Inquirer*, April 3, 2001.

576. Home School Legal Defense Association News, May 8, 2001, see *www.hslda.org*.

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RHODE ISLAND

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1995
  - Strength of law: Weak
  - Number of charter schools in operation (fall 2000): 3
  - Number of students enrolled in charter schools (fall 2000): 533
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 45th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 156,719
- Number of schools (1997–1998): 318
- Current expenditures: $1,315,195,000
- Current per-pupil expenditure: $8,392
- Amount of revenue from the federal government: 3.9%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 12,494
- Average salary: $48,474
- Students enrolled per teacher: 12.5
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Rhode Island Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	7% (6%)	2% (2%)	1% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	25% (23%)	28% (28%)	16% (18%)	17% (19%)	24% (24%)
Basic	(31%)	33% (31%)	44% (41%)	44% (42%)	40% (38%)	33% (33%)
Below Basic	(37%)	35% (39%)	26% (28%)	39% (38%)	40% (39%)	41% (40%)

- SAT weighted rank (2000): 14th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

On June 30, 1995, Governor Lincoln Almond, a Republican, signed the Act to Establish Charter Schools into law. The charter school legislation is relatively weak because it restricts charters to existing public schools that convert to charter status with the approval of two-thirds of their teachers and a majority of parents. All teachers and administrators in a charter school must be certified by the state, and teachers remain employees of the school district.

Rhode Island's first charter went to the Textron/Chamber of Commerce Providence Charter High School in 1994 for at-risk students. Fifteen of its first 18 graduates went on to college.[577]

Individualized learning is emphasized at the CVS Highlander Charter School for children in grades K–8, which opened in September 2000 in Providence.

Developments in 2001

An education tax credit bill (S.B. 74) was introduced to authorize a tax credit of up to 20 percent of the first $150 that parents pay for educational expenses for their K–12 and home-schooled children. The allowable expenses include transportation, non-religious textbooks, tutoring or "home computer technology." The credit would not apply to tuition. The bill remains in committee.

Position of the Governor / Composition of the State Legislature

Governor Lincoln Almond, a Republican, supports school choice. Both houses of the legislature are controlled by Democrats.

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[577] See *www.edreform.com/charter_schools/websites/rhode_island.html*.

SOUTH CAROLINA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1996
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 9
  Number of students enrolled in charter schools (fall 2000): 700
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 43rd out of 50 states

K-12 Public Schools and Students (2000–2001)

- Public school enrollment: 661,312
- Number of schools (1998–1999): 1,058
- Current expenditures: $3,940,484,000
- Current per-pupil expenditure: $6,092
- Amount of revenue from the federal government: 8.1%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K-12 Public School Teachers (2000–2001)

- Number of teachers: 44,041
- Average salary: $37,327
- Students enrolled per teacher: 15.0
- Largest teachers union: NEA

K-12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests South Carolina Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	4% (6%)	1% (2%)	1% (2%)	2% (4%)	1% (3%)
Proficient	(24%)	18% (23%)	21% (28%)	11% (18%)	12% (19%)	16% (24%)
Basic	(31%)	33% (31%)	43% (41%)	36% (42%)	34% (38%)	28% (33%)
Below Basic	(37%)	45% (39%)	35% (28%)	52% (38%)	52% (39%)	55% (40%)

- SAT weighted rank (2000): 25th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

In 1996, the legislature passed the Charter Schools Act to allow local school boards to sponsor charter schools. The strong charter legislation does not establish a cap on the number of charter schools that may open.[578]

In April 1997, state Attorney General Charles Condon issued an informal opinion that a provision in the act requiring the schools to recruit a student body whose racial makeup is roughly proportional to the makeup of the school district is unconstitutional.

The 1998 General Assembly passed an Education Oversight Act that called for the evaluation and grading of all public schools in the state. The original bill contained provisions enabling parents with children enrolled in failing public schools to transfer them to a school of choice, provided there is enough space. This provision, however, was removed during conference proceedings.

The General Assembly passed the Alternative School Law (H. 3082) to allow school districts to begin developing "alternative schools." Representative Lewis Vaughn (R–Greenville) introduced the Open Enrollment Act of 1999 to permit public funds to be used at private K–12 schools. However, the chairman of the House Education and Public Works Committee, Representative Ronald Townsend (R–Anderson), opposed open enrollment and introduced legislation to create an Open Enrollment Task Force to study the school choice–open enrollment concept. The task force was criticized as a ploy to quell the school choice debate until after the November 2000 elections.

During the summer of 1999, House Speaker David Wilkens (R–Greenville) appointed a bipartisan committee to study school choice. The committee held six hearings to obtain feedback from the public. A majority of those who spoke in support of school choice were parents, while the most vocal opponents were members of unions, the ACLU, political organizations, and the League of Women Voters.[579]

In February 2000, the House passed legislation introduced by Representative Bobby Harrell (R–Charleston) to eliminate the racial quota provision in the charter school law. The Senate opted to keep the provision in its version of the law, requiring schools to have an enrollment that reflects the racial composition of the district (within 15 percent). In May 2000, state Circuit Court Judge Jackson Gregory ruled the racial quota unconstitutional.[580] Unfortunately, legislators ended their 2000 session without acting to reconcile the House and Senate versions of the law.[581]

Quality teachers could earn up to $100,000 a year under a program supported by State Education Superintendent Inez Tenenbaum. Under the Milken Family Foundation Teacher Advancement Program, teachers can become mentor or master teachers with new responsibilities and salary increases. Only teachers who succeed in raising student achievement or meeting other goals would be rewarded with pay increases. If the program won support from lawmakers and educators, said Tenenbaum, the state would select a diverse set of five schools to start the program in fall 2000. After a successful trial year, it could be expanded to the rest of the state.[582]

Although Governor Jim Hodges, a Democrat, touted a plan to provide $8 million in free tuition for public school teachers to help them get their master's degrees, this plan could have done more harm than good. South Carolina is one of two states with master's degree teachers whose students actually score lower on the National Assessment of Educational Progress (NAEP) tests than states whose teachers have only bachelor's degrees. This suggests that, in South Carolina, master's degree programs for teachers are not linked to effective classroom practices.[583] The plan did not go through.

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[578] Angela Dale and Dave DeSchryver, eds., *The Charter School Workbook: Your Roadmap to the Charter School Movement* (Washington, D.C.: Center for Education Reform, 1997). Updates available at *www.edreform.com/pubs/chglance.htm*.

[579] Information provided by the South Carolina Policy Council.

[580] Darcia Bowman, "Judge Overturns South Carolina Charter School Law," *Education Week*, May 24, 2000.

[581] Center for Education Reform Newswire, July 12, 2000; see *www.edreform.com*.

[582] Associated Press and local state wire reports, June 29, 2000.

Partners Advancing Choice in Education (PACE) launched a private scholarship program in 1999. It plans to award scholarships to low-income students in grades 1–6 to cover between 30 percent and 60 percent of their private school tuition, up to $2,000.

Developments in 2001

Several school choice bills were introduced in the 2001 legislature:

- H.B. 3386, a charter school bill, and its companion, S.B. 12, to allow the state Board of Education to grant charters instead of the local boards passed in their respective houses. The Senate bill was referred to the House. No further action has been taken.
- H.B. 3172 to allow education tax credits passed the House with a voice vote. The bill would authorize a tax credit of up to $500 on a phased-in basis for contributions made to non-profit education foundations that provide academic assistance grants to children attending public or private schools on the basis of need. Additionally, the bill would authorize money for tutoring and other services within the public school system. H.B. 3172 passed the House but has stalled in a Senate committee.[584]
- H.B. 3209 would create an income tax credit of up to $500 for contributions to a non-profit scholarship funding organization or public school foundation. It was referred to committee, but no action is expected.[585]

Position of the Governor / Composition of the State Legislature

Governor Jim Hodges, a Democrat, is opposed to school choice and any voucher or tuition scholarship program. Both the House and the Senate are controlled by Republicans. The new Senate Education Committee Chairman, Warren Giesse, has shown an interest in school choice.

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[583] Education Intelligence Agency, "Measure for Measure: A Magnified Look at Standardized Test Scores," October 2000.

[584] See the National School Board Association at *www.nsba.org/novouchers*.

[585] Phone conversation with Gerry Dickinson of the South Carolina Policy Council, May 1, 2001.

SOUTH DAKOTA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 15th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 127,437
- Number of schools (1998–1999): 770
- Current expenditures: $721,306,000
- Current per-pupil expenditure: $5,660
- Amount of revenue from the federal government: 10.1%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 9,250
- Average salary: $28,552
- Students enrolled per teacher: 13.8
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests South Dakota Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	**4th Grade**	**8th Grade**	**4th Grade**	**8th Grade**	**8th Grade**
Advanced	(8%)	N/A (6%)	N/A (2%)	N/A (2%)	N/A (4%)	N/A (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	N/A (18%)	N/A (19%)	N/A (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	N/A (42%)	N/A (38%)	N/A (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	N/A (38%)	N/A (39%)	N/A (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 9th out of 26 states

Background

Although South Dakota has a statewide public school choice program, it is not enthusiastically supported because many areas of the state lack multiple public schools. The distance between the existing schools forces students to attend the closest one.

Two attempts to pass choice legislation in 2000 failed. A plan to pass a charter school law and a plan to offer students $1,200 scholarships to attend a school of choice were approved by the House State Affairs Committee, but both were defeated on the floor.[586]

Developments in 2001

The state already allows open enrollment, which gives families the option of enrolling children in another public school district if they are unhappy with their current school. Since open enrollment began in 1988, between 1 percent and 2 percent of students have taken advantage of it. Private schools now educate over 9,300 K–12 students.[587]

Legislators approved a bill to require students to take a series of tests linked directly to the state's recently developed academic standards. State education officials plan to implement the new mandate through assessments administered exclusively over the Internet. Governor William J. Janklow, a Republican, signed the measure on March 5, making South Dakota the first state to give such tests solely online. The exams will start in the spring of 2002.[588]

Though the legislature is not considering a voucher program, some legislators are expressing their support for such programs.

Position of the Governor / Composition of the State Legislature

Governor William J. Janklow, a Republican, does not feel private school vouchers are feasible in his state, based on the geographic distance between schools. He has expressed qualified support for charter schools. As governor from 1979 to 1987, he instituted the state's open enrollment program. Both houses of the legislature are controlled by Republicans.

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[586] Information provided by the South Dakota Family Policy Council.

[587] See National Center for Education Statistics, *Private School Universe Survey*, 1999–2000 at *www.nces.ed.gov/pubs2001/2001330.pdf*; see Table 22, p. 26.

[588] Michelle Galley, "South Dakota Aims to Put Online Assessment to the Test," *Education Week*, March 7, 2001.

TENNESSEE

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 36th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 905,410
- Number of schools (1998–1999): 1,554
- Current expenditures: $5,085,175,000
- Current per-pupil expenditure: $5,616
- Amount of revenue from the federal government: 8.5%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 56,797
- Average salary: $37,074
- Students enrolled per teacher: 15.9
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Tennessee Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	1% (2%)	1% (2%)	2% (4%)	2% (3%)
Proficient	(24%)	20% (23%)	25% (28%)	16% (18%)	13% (19%)	20% (24%)
Basic	(31%)	33% (31%)	45% (41%)	41% (42%)	38% (38%)	31% (33%)
Below Basic	(37%)	42% (39%)	29% (28%)	42% (38%)	47% (39%)	47% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 24th out of 26 states

Background

Tennessee law already allows students to attend public schools outside their district, but there are bureaucratic restrictions. For example, transferring students must obtain permission from the receiving district's school board to ensure that the transfer does not harm state desegregation efforts. A provision in state law allows the local boards of education to conduct choice programs as part of the state's Basic Education funding reform package passed in 1992.[589]

On March 31, 1998, a House subcommittee referred Republican Governor Don Sundquist's charter school legislation (H.B. 2553 and S.B. 2693) to the Education Oversight Committee for study over the summer. Opponents of the bill, such as the Tennessee Education Association (TEA), disagreed with its provisions to allow for-profit organizations to run charter schools without licensing their teachers.[590] The measure ultimately failed.

Governor Sundquist proposed charter school legislation again in 1999. This time, Jane Walters, a lifetime member of the TEA, rewrote the bill to satisfy the concerns of the union. Despite her efforts, the TEA voted to oppose the bill. On April 20, 1999, the bill stalled in a House subcommittee in a tie vote, with one member absent. A choice bill to relieve public school overcrowding was introduced in 2000, but failed. H.B. 2706/ S.B. 2248 proposed allowing eight high-growth school districts to enter into contracts with private schools to take those students who wished to transfer.[591]

The results of a 2000 poll encouraged school choice advocates. The survey found that 54 percent of respondents favored school vouchers that allow parents to use part of the taxes they pay for public education to apply toward private school tuition. Only 35 percent opposed such vouchers, and 11 percent were undecided.[592]

Several private programs offer parents some educational options. A private scholarship program, the Memphis Opportunity Scholarship Trust (MOST), began operations in 1998. During the 1998–1999 school year, MOST awarded 165 four-year scholarships to low- and moderate-income children living in Shelby County. The scholarships, worth up to 60 percent of private school tuition, were capped at $1,500.

The Children's Educational Opportunity Foundation (CEO) started a private scholarship program in Chattanooga in 1998. CEO Chattanooga awarded scholarships for up to 50 percent of tuition, with a maximum of $1,500, to 470 low-income elementary students living in Hamilton County. A survey of their parents found that 54 percent of the children had improved their academic performance and 63 percent of the parents were very satisfied with the education their children were receiving. Children were happier in their present school, and their behavior had improved.[593]

Memphis and Chattanooga became two of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton, matches money raised by those cities' residents to fund approximately 1,250 private scholarships for low-income students to attend a school of choice.[594] On April 22, 1999, the CSF announced the recipients of the minimum four-year scholarships for children in grades K–8 selected randomly in a computer-generated lottery. In Memphis, 750 scholarship recipients were chosen from 9,211 applicants; in Chattanooga, 500 recipients were chosen from 2,910 applicants. The average scholarship amount was $1,276.

Developments in 2001

Competition is fierce in Memphis's public school choice program. Parents are fighting to sign their children up for limited public school choice options, highlighting the need to expand parents' options. One Memphis school official described the experience of standing in line to

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589. E-mail correspondence from Roger Abramson of Tennessee Institute for Public Policy, April 12, 2001.

590. Rebecca Ferrar, "Governor Allows Charter School Plan to Die for Session, Move to Study Group," *The Knoxville News-Sentinel*, April 1, 1998, p. A3.

591. See National School Board Association at *www.nsba.org/novouchers*.

592. Pam Sohn, "Candidate Education Views Differ," *Times Free Press*, September 27, 2000.

593. Center for Education Reform Newswire, April 5, 2000; see *www.edreform.com*.

594. See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

sign one's child up for the best school as "buying your license tag."[595]

Approximately 860 children in the Memphis area are now attending private schools thanks to the Memphis Opportunity Scholarship Trust.[596] MOST has already had a positive effect on the private school market, as six inner-city Catholic Schools will be reopened within the next five years, and there have been a host of new private initiatives to start new schools.[597]

Position of the Governor / Composition of the State Legislature

Governor Don Sundquist, a Republican, supports charter schools. He does not support a statewide voucher program, but feels that experimental voucher programs should be left to the discretion of the local school districts. Both houses of the legislature are controlled by Democrats.

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[595] Center for Education Reform Newswire, July 3, 2001; see *www.edreform.com*.

[596] Jenny Havron, "Scholarship Fund Helps Students Attend Private Schools," *Memphis Business Journal*, January 19, 2001.

[597] E-mail correspondence with J. C. Bowman of CSF–Chattanooga, Children First Tennessee, February 1, 2001.

TEXAS

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1995, amended in 1992, 2001
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 182
  Number of students enrolled in charter schools (fall 2000): 38,107
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 6th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 4,033,697
- Number of schools (1998–1999): 7,228
- Current expenditures: $25,753,029,000
- Current per-pupil expenditure: $6,384
- Amount of revenue from the federal government: 15.1%
- Evaluation of school performance: Report card, ratings, rewards, and sanctions

K–12 Public School Teachers (2000–2001)

- Number of teachers: 266,878
- Average salary: $35,041
- Students enrolled per teacher: 15.1
- Largest teachers union: Association of Texas Professional Educators (independent organization)

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Texas Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	1% (2%)	3% (2%)	3% (4%)	1% (3%)
Proficient	(24%)	24% (23%)	27% (28%)	22% (18%)	18% (19%)	22% (24%)
Basic	(31%)	34% (31%)	48% (41%)	44% (42%)	38% (38%)	32% (33%)
Below Basic	(37%)	37% (39%)	24% (28%)	31% (38%)	41% (39%)	45% (40%)

- SAT weighted rank (2000): 21st out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

In 1995, the legislature rewrote the Texas Education Code to offer two types of charter schools and to set up home rule school districts. The state Board of Education is authorized to grant up to 20 open enrollment charters to institutions of higher education, non-profit organizations, or governmental entities. Open enrollment charter schools generally are free from most state and local laws, rules, and regulations. The school district boards of trustees may grant an unlimited number of charters to parents and teachers who present a petition showing sufficient support for a charter.

The conversion of a district to home rule may be initiated either by a school board resolution or by a petition signed by a fair number of registered voters in the district. Except for provisions to ensure accountability, the new code permits an unlimited number of communities to make rules for their districts. Like open enrollment charters, both charter school programs and home rule school district charters relieve the burden of abiding by all state laws, rules, and regulations. The revised code allows a student enrolled in a consistently low-performing school to transfer to another school.

A suit that initially was filed in June 1993 may have begun the focused effort to expand parental choice in Texas. The Texas Justice Foundation filed suit on behalf of Guadalupe and Margie Gutierrez and their children, Lupita and Vanessa, claiming that the state's monopoly on public education funding could never produce a "suitable" and "efficient" system with a "general diffusion of knowledge," as the state constitution requires. The lawsuit asked the court to order the plaintiffs' school district to contract with a private entity chosen by the family to educate their children. On January 30, 1995, the Texas Supreme Court ruled against the plaintiffs on the grounds that the relief they sought was a "political question." The court held, however, that the state constitution does not require that education be provided by districts or a state agency; the legislature may decide whether education should be administered by a state agency, the districts, or any other means. This finding validates to some extent the constitutionality of vouchers in Texas.

In May 1996, Houston's voters rejected a $390 million bond measure to build 15 new schools and renovate 84 existing ones. As a result, then-District Superintendent of Schools Rod Paige offered to place students from some 65 overcrowded schools into area private schools at district expense instead of busing them to a distant public school. Shortly thereafter, the Houston School Board trustees voted unanimously to approve Paige's innovative plan, despite opposition from the education establishment.

The 1997 legislative session brought significant improvement in the state's charter school bill, raising the cap on open enrollment charters to 120 and allowing for an unlimited number of charters for schools serving at-risk students.

A report to the state Board of Education found that the state's existing charter schools primarily serve minority and low-income students.[598] Charter school enrollments are comprised, on average, of 26 percent African–American students (compared with 14 percent in the state's public schools); 52 percent Hispanic students (36 percent in state public schools); and 19 percent white students (47 percent in state public schools).

On May 21, 1998, the Houston Independent School District Board of Education passed (by a vote of 5 to 4) a plan to pay the costs of transferring failing students from low-performing public schools to a district-approved private school. To qualify, a student must have failed the Texas Assessment of Academic Skills (TAAS) in reading and math. The student must also be attending a public school ranked as "low performing" by the district (no schools received this ranking in 1997) or by the Texas Education Agency (which ranked three schools as such in 1997). The student will have the option to transfer to any private school that meets the district's criteria. The school must be non-religious, meet state accreditation standards, be willing to accept a maximum yearly tuition of $3,575 per student, abide by state laws governing public schools, and accept all students regardless of conduct and academic track record.

A poll conducted in October 1998 by Scripps Howard found that 51 percent of Texans surveyed supported legislation to create a voucher program to allow students in low-performing public schools to attend private schools.[599]

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[598] Dr. Delbert Table *et al.*, "Texas Open Enrollment Charter Schools; Year One Evaluation: A Research Report to Be Presented to the Texas State Board of Education," December 1997.

In 1999, the Texas Senate Education Committee approved a bill for a small-scale voucher program for about 149,000 low-income students in the six most urban counties. The bill, championed by Senator Teel Bivins (R), had the backing of then-Governor George W. Bush and Lieutenant Governor Rick Perry. After an uphill battle in the Democrat-controlled House, the bill failed to pass.[600]

Representative Kent Grusendorf (R–94) introduced H.B. 2118, a pilot program that would allow up to 10 percent of children in any low-performing school in one of the seven largest school districts to attend a school of choice. The student would receive from the residence district a scholarship worth up to 80 percent of per-pupil funding (excluding funds dedicated to school facilities). The district would retain the remaining 20 percent of per-pupil expenditures and 100 percent of the debt service taxes. In this way, the bill provides for an increase in per-pupil funding for children in public schools. No school would be required to participate; but once a school did elect to participate, it would have to accept all applicants. Participating private schools would not be bound to district regulations, but participating students would be required to take the TAAS exam.[601] H.B. 2118 also failed.

A panel of state lawmakers in 2000 recommended a moratorium on new charter schools, citing poor student performance, unexpected closures, and financial troubles at some schools. In a report released in December, the House Public Education Committee said the Board of Education did not adequately screen charter applicants and lacked enough workers to monitor the schools. Currently, the cap on the number of charter schools open to all students is 120; the committee recommended retaining the cap for up to four years. It suggested limiting the number of charters for schools that serve at-risk students. However, Representative Mike Krusee (R) disagreed, saying the public supports charter schools and asserted that the Democrat-chaired committee was "out of step with the rest of the country, even with other Democrats."[602]

According to the Indianapolis-based Friedman Foundation, Texas charter schools enroll higher percentages of black and Hispanic students than do regular public schools. A report commissioned by the state Board of Education and conducted by the Texas Center for Education Research examined more than 89 charter schools during the 1998–1999 school year and found that more than 78 percent of their students were members of minority groups, compared with about 55 percent at the public high schools. The study found that the difference was a result of the charter schools' efforts to address the needs of "at risk" students. The study additionally found that 54 percent of charter school teachers were uncertified, compared with just 4 percent in traditional schools. Charter school supporters view the ability to hire teachers with diverse educational and work backgrounds who may not be certified by the state a major strength.[603]

After negotiations with various private schools, the Houston Independent School District began paying for failing students to attend the Kandy Stripe Academy, a private for-profit school, in fall 2000. To participate, students must fail to meet promotion standards and attend a school rated "low performing" by the Texas Education Agency. The children must remain at the private school for a full school year and are responsible for their own transportation to the school. Religious schools are not an option, since the district was concerned that the schools could not adequately separate public students from religious content.[604]

Most parents were still not aware that charter schools are an option, according to a report by the Texas Center for Educational Research. Of the parents surveyed, 55 percent who had children enrolled in traditional public schools said they knew nothing about the charter school alternative. Of the parents who had children enrolled in charter schools for at-risk students, 50 percent said they learned about the school from family or friends, compared with 61 percent of parents with students at schools considered not to be at risk. The study's results fueled concerns that the state was not making its parents sufficiently aware of their educational options.[605]

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[599] The Fall 1998 Texas Poll, conducted by Scripps Howard and the Office of Survey Research, University of Texas, October 1998.

[600] The Friedman–Blum *Educational Freedom Report*, No. 69, March 19, 1999.

[601] Correspondence from the Texas Justice Foundation, December 1999.

[602] Associated Press, "Texas Charter School Moratorium Urged," *The Washington Post*, December 29, 2000.

[603] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 3 (2000).

[604] Salatheia Bryant, "HISD Sends Pupils to Private School," *The Houston Chronicle*, September 18, 2000.

On April 22, 1998, Children First CEO America launched the nation's first fully funded voucher program offered to every family in a school district. CEO Horizon (the brainchild of Children First CEO America, CEO San Antonio, and San Antonio business leaders) made $50 million available over five years to allow every low-income child in the predominantly Hispanic Edgewood Independent School District to attend a school of choice.

The reason: In 1994, the Edgewood district had reported dropout rates of about 50 percent, and only 38 percent of its students passed mandatory competency tests. For every 15 CEO scholarships awarded to a child enrolled in a public school, one would go to a child in a non-public school in proportion to current enrollment. That year, 93.7 percent of students attended public schools, and 6.3 percent attended non-public schools. CEO Horizon scholarship students enrolled in schools within the district received $3,600 annually for grades K–8, and $4,000 for grades 9–12. Students enrolled in a school outside the district were eligible for up to $2,000 for grades K–8 and $3,500 for grades 9–12.

Researchers at Mathematica Policy Research, Inc., and Harvard University's Program on Education Policy and Governance released their findings of a study of San Antonio's Horizon Program. During the 1998–1999 school year (the program's first year), 700 of the 13,000 eligible students elected to leave Edgewood public schools for private schools. Notably, the Edgewood Independent School District responded to this competition by instituting intradistrict public school choice and commissioning a $120,000 management study to improve its administrative efficiency.

The 1999 Mathematica study found that the program did not lead to an exodus from the public schools, which would significantly drain the district's budget. (Only 800 students left, reducing the budget by only 3.5 percent.) Nearly every scholarship applicant was accepted to his or her school of choice, refuting arguments that private schools cherry-pick the best students.[606] The researchers reported later that year that Texas's voucher program did not "cream" the best students out of the public school system for its program. Moreover, the multiyear study found that there was no significant academic or economic difference between the students who entered the Horizon program and those who remained in the public school system.

Another evaluation of the Horizon Program's first-year results found few statistically significant differences in quality between students in the program and those who remained in the Edgewood district, suggesting also that vouchers did not "cream" the best students from the public schools. The demographics of the students in the two groups were remarkable similar: The difference in annual average income was only $51; mothers of voucher students had completed an average of 12 years of education, compared with 11 years for public school mothers; and 4 percent of Horizon mothers were receiving welfare, compared with 5 percent of public school mothers. The main difference between the groups was their attitude toward the importance of academic quality: 40 percent of Horizon parents chose academic quality as the "most important" factor in choosing a school, while only about 12 percent of parents whose children stayed in public schools cited that factor first.[607]

For 2000–2001, nearly 1,200 children participating in the third year of the CEO Foundation's voucher program in the Edgewood Independent School District opted to attend area private schools. The tuition vouchers were provided to 1,858 students, of which 1,137 were new recipients. The total represents a 28 percent increase over the 887 students who received scholarships the previous year. Of the students receiving the vouchers, slightly more than half attended four schools, while the rest were enrolled in 52 other private schools in San Antonio. Christian Academy of San Antonio, a new school that opened near the Edgewood district in 2000, had the largest group of voucher students: 196.[608]

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[605] Connie Mabin, "Study Says Texas Parents Not Informed About Charter School Option," *The* (Fort Worth) *Star-Telegram*, August 8, 2000.

[606] Children First CEO America, "First Semester Report," March 1999.

[607] Melanie Looney, "School Choice in San Antonio," National Center for Policy Analysis *Brief Analysis* No. 326, June 16, 2000.

Dallas, Fort Worth, and Houston became three of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF, a $100 million foundation, matches funds raised by residents of those cities to fund approximately 3,150 private scholarships for low-income students (1,250 in Dallas, 500 in Fort Worth, and 1,400 in Houston) to attend a school of choice. A computer-generated lottery determines who receives the minimum four-year scholarships for children entering kindergarten through 8th grade the following year.[609] On April 22, 1999, the CSF announced the recipients: 900 recipients were chosen from 17,761 applicants in Dallas; 491 recipients were chosen from 9,338 applicants in Fort Worth; and 250 recipients were chosen from 19,187 applicants in Houston.

Developments in 2001

Enrollment in the Horizon private scholarship program in Edgewood district has increased. As of January 2001, 1,353 students participate in the program and 673 students are on its waiting list. The Houston district announced that they would push for a larger school choice plan this year.[610]

Jeff Judson, president of the Texas Public Policy Foundation, announced in January that the organization, which has promoted vouchers and other school-choice proposals in Texas, would focus on charter schools instead as the primary vehicle for providing parents with school choice this session.[611]

Three choice bills were introduced in the 2001 legislative session:

1. H.B.1240 to authorize vouchers for poor-performing students in the largest school districts: Dallas, Houston, Fort Worth, Austin, Northside, and El Paso. Additionally, the statewide voucher program would piggyback on any federally funded voucher program. The bill stalled in committee.
2. H.B. 2666 to create a statewide private school voucher program that also piggybacks on any federally funded voucher program. The bill is stalled in committee.
3. H.B. 2489 to authorize franchise tax credits for corporate contributions to non-profit groups that distribute private school vouchers. After strong opposition during a committee hearing on April 14, the sponsor withdrew the bill.[612]

The House passed a bill in April that placed a moratorium on the creation of new charter schools and included additional regulations on established charters. H.B. 6 caps the number of charter schools statewide at 215. According to the Texas Public Policy Foundation, the onerous regulations associated with this legislation severely compromise the state charter school law. The governor allowed the bill to become law without his signature.[613] Despite these new restrictions, the legislation will actually make it easier for universities to obtain charters. There will be no limit on the number of university-run charter schools.

On May 17, 2001, the state Senate gave final approval to a bill that would allow universities to start charter schools. The measure proposed by state Senator Bivins takes charter-granting authority away from the state Board of Education.[614] The total number of charters granted to anyone other than a higher education institution would be capped at 215.[615]

The state Board of Education renewed the contracts of the state's original 18 charter schools and extended the contracts from five years to ten to help the schools secure long-term financing for buildings.[616]

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[608] David McLemore, "Voucher Program Debated," *The Dallas Morning News*, September 18, 2000.

[609] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

[610] Phone Conversation with Robert Geary of Horizon Private Scholarship Program at Edgewood, January 8, 2001.

[611] Terrence Stutz, "Drive for School Vouchers Cooling Off," *The Dallas Morning News*, January 22, 2001.

[612] See National School Board Association at *www.nsba.org/novouchers*.

[613] Phone conversation with Jeff Judson of the Texas Public Policy Foundation, July 3, 2001.

[614] John Kirsch, "House Divided on Charter Schools," *The* (Fort Worth) *Star-Telegram*, May 21, 2001.

Beginning July 1, 2001, public school districts will receive state funds to provide special education to preschool students enrolled in private schools. For the 4,436 private school students affected statewide, free special education is no longer guaranteed. However, school districts will be required to spend part of their federal funding on private school students; federal funds cover only about 10 percent of a district's special education cost.[617]

Houston's KIPP Academy boasts the highest passing rates on state assessments of any middle school in the city. In math, the KIPP students scored in the 81st percentile nationwide on the Standford-9 test.[618]

Standardized test scores increased at Theresa B. Lee Academy charter school after Principal Loring Branch dismissed the school's certified teachers. Last year, none of the students had passed the Texas Assessment of Academic Skills (TAAS), and the school was among the 10 worst performing public schools in the state. This year, 50 percent of the school's students passed all the tests.[619]

Position of the Governor / Composition of the State Legislature

Former Governor George W. Bush, a Republican, supported vouchers and charter schools. Governor Rick Perry, a Republican, was sworn in as governor after Governor Bush was elected U.S. President. Governor Perry strongly supports strengthening and expanding the charter school system in Texas, as well as strengthening school choice. The House is controlled by Democrats; the Senate is controlled by Republicans.

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615. Bess Keller, "Texas Legislature Places Restrictions on Charter Schools," *Education Week*, June 6, 2001.

616. E-mail correspondence from Chris Patterson of the Texas Public Policy Foundation, April 19, 2001.

617. Melanie Markley, "Private Schools Losing Funds for Special Ed. Kids," *Houston Chronicle*, March 13, 2001.

618. Center for Education Reform Newswire, May 2, 2001; see *www.edreform.com*.

619. *Ibid.*

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UTAH

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1998
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 4
  Number of students enrolled in charter schools (fall 2000): 315
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 29th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 475,832
- Number of schools (1998–1999): 769
- Current expenditures: $2,052,118,000
- Current per-pupil expenditure: $4,313
- Amount of revenue from the federal government: 7.1%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 22,664
- Average salary: $36,049
- Students enrolled per teacher: 21.0
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Utah Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	5% (6%)	2% (2%)	2% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	23% (23%)	29% (28%)	21% (18%)	21% (19%)	30% (24%)
Basic	(31%)	34% (31%)	46% (41%)	46% (42%)	46% (38%)	38% (33%)
Below Basic	(37%)	38% (39%)	31% (28%)	31% (38%)	30% (39%)	30% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 9th out of 26 states

Background

In 1991, Utah enacted a voluntary open enrollment program to allow students in participating school districts to transfer to schools in other participating districts. Funding would follow the student, and the balance of the student's educational costs in the new district would be split between the sending and receiving districts. However, incentives to participate were lacking, and no district agreed to participate during the 1991–1992 school year. The law was amended in 1992 to make open enrollment mandatory as of September 1993.

A survey conducted in 1997 by R. T. Nielsen for the Utah Coalition for Freedom in Education found that 79 percent of Utah voters support parental choice in education that includes public, private, and parochial schools.[620]

In 1997, a tuition tax credit proposal was defeated in the legislature. The bill offered state income tax credits to parents who chose to send their children to non-public schools. The amount would have been phased in over several years until the credit reached a value of $2,000 per child.

In 1998, the legislature approved a relatively weak charter school law under which any non-parochial school may apply to the state Board of Education for a charter. For conversion schools, the public school must show evidence of support from two-thirds of its parents and certified teachers. On average, 75 percent of per-pupil funding would follow the child to the charter school. The law caps the number of three-year charters at eight.[621] The Utah School Boards Association filed a lawsuit to give charter school oversight to local school districts.

Another tax credit bill was introduced in 2000. H.B. 401, the Income Tax-Private Investment in Education Act sponsored by Representative John Swallow (R–Sandy), would provide a dollar-for-dollar tax credit to parents who transfer their children to private school. In addition, any taxpayer (individual or business) could contribute to the tuition of a child in private school and receive the credit. The legislation also would allow taxpayers to receive a tax credit for contributions to private scholarship organizations that provide private school scholarships to low-income children. The program would be the first statewide school choice program of its kind in the nation. The legislature adjourned without fully considering the bill.

A private organization, the Utah Children's Scholarship Fund, announced in 2000 that it would raise money to provide private scholarships to low-income children to attend a private school of choice. The grants would cover partial, or in some cases full, tuition for students in grades K–12. Families on the federal free and reduced-price lunch program would be eligible. The scholarships would be usable at any private school in Utah.[622]

Philanthropist Sam Skaggs' generous contributions led to the creation of the Skaggs Catholic Center in the Salt Lake City suburb of Draper. The school's waiting list soared last spring to 1,700 students, about 70 percent of whom were not Catholic.[623]

An example of how charter schools can help children who may be falling behind to succeed is the Ute Tribe's Utah River High School. The charter school serves mostly American Indian students, a group that usually ranks last on nearly every state indicator of educational success. Like most charter schools, the school operates on a shoestring budget and serves low-income and underprivileged students. But its students are making steady progress in academic achievement.[624]

Two bills were introduced before the Education Interim Committee in 2000. The first, sponsored by Senator Howard Stephenson (R–Draper), would phase in 24 charter schools through 2003 and then lift the cap. The schools would receive additional funding. Currently, charter schools receive full state per-pupil funding plus half the local tax dollars that traditional public schools receive; under this bill, the state would make up the other half of local funding. The second bill, sponsored by Senator Dave Steele (R–West Point), would allow the eight charter schools to reapply every three years. The Utah School Boards Association opposed these bills.[625]

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[620] The Friedman–Blum Center's *Educational Freedom Report*, No. 58, April 24, 1998.

[621] See Center for Education Reform Web site at *www.edreform.com/laws/Utah.htm*.

[622] E-mail correspondence from David Salisbury of the Sutherland Institute, March 2, 2000.

[623] John Gehring, "Heaven Sent," *The Teacher Magazine*, August 2000.

[624] Ashley Estes, "Charting a New Course," *The Salt Lake Tribune*, November 12, 2000.

Developments in 2001

Some lawmakers and business leaders are promoting a plan to help solve Utah's projected education funding woes by sending thousands of students to private schools. The plan will allow the private sector to contribute funds to educate nearly half of the 100,000 new students expected in Utah by 2010. It is estimated that the state would need to spend $2 billion to hire 4,000 teachers for these students and to build 172 new schools.[626]

In January 2001, Children First Utah, in conjunction with Children First America, launched its $2 million statewide privately funded voucher program. The group expects to award scholarships to 200 low-income children to attend a school of choice in 2001–2002, increasing that number each year by 200 until the organization is offering 1,000 scholarships annually. The scholarships will provide up to 50 percent of the tuition costs each year, up to a maximum of $1,600 per child. This became the 80th private scholarship program in the country.[627]

In a January 19 ruling, the Utah Supreme Court declared that charter schools are constitutional. The Utah School Boards Association had challenged the 1998 law authorizing as many as eight charter schools to open in a three-year experiment with rigorous controls. The association acknowledged the state constitution gives the state school board the power to control and supervise the public education system. However, it insisted that the board could control only one uniform system. The high court did not agree; the judges said that charter schools are permitted under a constitutional provision that allows the board to control "such other schools and programs that the Legislature may designate."[628]

Groups are lining up to vie for four new charter school slots that will be approved by the state Board of Education. The groups want to create schools with exacting curricula that encourage students to excel. Utah's charter schools offer a focus on a specific area of study, such as science or art or special needs. The number of approved charters could grow even more next year, since the 2001 legislature gave school districts the right to authorize such schools in S.B. 169, signed by the governor on March 19. Groups that want to apply for a state Board of Education charter first must be turned down by one of the 40 school districts.[629]

Three choice bills were introduced in the 2001 legislative session:

1. H.B. 2498 to create an Education Certificate program, providing vouchers for students on the free and reduced-price lunch federal program. The amount of the voucher would be phased in and soon equal the per-pupil expenditure of each local district. A House committee refused to consider the bill.
2. H.J.R. 561 to create a joint legislative subcommittee to study the issue of vouchers and tuition tax credits. The bill failed.[630]
3. H.R. 138 to offer tax credits to cover private school tuition squeaked by a legislative committee and was on its way to a full House vote when its sponsor, Representative Swallow, pulled the proposal. "A policy change of this magnitude deserves to be fully debated and carefully considered," stated Swallow. It was speculated that he pulled the bill because it did not have enough votes to pass.[631] It would have provided $1,500 in tax credits for a parent paying a child's tuition fees to a private school. The plan was intended to revitalize the educational system by providing more choices for parents and by reducing the financial burden on public schools. Swallow plans to introduce the bill next year.[632]

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[625] "Action on Charter-Schools Delayed," *Utah Deseret News*, November 17, 2000.

[626] Heather May, "Tax Credits Urged For Private Schools," *The Salt Lake Tribune*, January 12, 2001.

[627] Phone conversation with David Salisbury, Children First Utah, January 15, 2001.

[628] Associated Press, "Charter Schools Are Ruled Constitutional," *Utah Deseret News*, January 19, 2001.

[629] Marta Murvosh, "Groups Vying for New Charter School Slots," *The Salt Lake Tribune*, April 8, 2001.

[630] See the National School Board Association at *www.nsba.org/novouchers*.

[631] Jennifer Toomer-Cook, "Sponsor Yanks Private School Tax-Credit Bill," *Utah Deseret News*, February 24, 2001.

Position of the Governor / Composition of the State Legislature

Governor Michael Leavitt, a Republican, favors choice within the public school system, including charter schools, but opposes private school choice. Republicans control both houses of the legislature.

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632. Beth Dove, "School Tax Credit Bill Survives Committee," Utah Education Funding Project, February 21, 2001, see *www.utaheducation.org/news*.

VERMONT

State Profile (Updated July 2001)

School Choice Status

- Public school choice: No
- Charter school law: No
- Publicly funded private school choice: Yes (Tuitioning law since 1869)
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 28th out of 50 states

K–12 Public Schools and Students (2000–2001):

- Public school enrollment: 105,980
- Number of schools (1998–1999): 358
- Current expenditures: $769,980,000
- Current per-pupil expenditure: $7,265
- Amount of revenue from the federal government: 5.1%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 8,549
- Average salary: $38,651
- Students enrolled per teacher: 12.4
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Vermont Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	N/A (6%)	N/A (2%)	3% (2%)	4% (4%)	3% (3%)
Proficient	(24%)	N/A (23%)	N/A (28%)	20% (18%)	23% (19%)	31% (24%)
Basic	(31%)	N/A (31%)	N/A (41%)	44% (42%)	45% (38%)	36% (33%)
Below Basic	(37%)	N/A (39%)	N/A (28%)	33% (38%)	28% (39%)	30% (40%)

- SAT weighted rank (2000): 7th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Since 1869, Vermont has offered educational choice for students who reside in towns that do not have a public high school, are not a union high school district, and do not offer all elementary grades. Tuition town students in grades 7–12 may attend an approved public or non-sectarian private school located in or outside the state. The town school boards pay their tuition expenses. If the student chooses an independent school, the voters of the district can decide whether to pay an amount equal to the state's average union high school tuition, with parents required to make up the difference if this amount is below the actual tuition charged. Currently, about 5,000 students attend private schools under the program.

For towns that have no elementary schools, Act 271 of 1990 provides for similar tuitioning by school boards to both public and independent schools. Parents of these students do not have the legal right to have the tuition paid for their children to attend an independent school of choice, but it would be highly unusual for a school board to refuse a parent's request.

Towns were allowed to pay tuition at Catholic high schools until 1961, when the Vermont Supreme Court ruled that using public money to pay tuition at a parochial school violated the state constitution.

In 1996, the school board of Chittenden, a tuition town, sought to pay the tuition of 14 students to Mt. St. Joseph Academy, a nearby Catholic high school. The state responded by withholding the town's state education aid. The town filed a lawsuit (*Chittenden Town School District* v. *Vermont Department of Education*) to force the state to release the aid. On June 27, 1997, Rutland County Superior Court Judge Alden Byran struck down Chittenden's efforts to include religious schools as a tuitioning option. An appeal was filed in the Vermont Supreme Court in early July 1997.

In 1997, a group of House members led by Representative Howard Crawford (R–Burke) sponsored a bill to create Education Freedom Districts. Under H. 393, the voters in a school district essentially could design their own school system that included, for example, vouchers, charter schools, an exemption from teacher certification, subject matter exams for teachers, merit pay, termination of union dues check-offs, or privatization. No action was taken on the bill, which was resubmitted in 2000.

The legislature passed a controversial Equal Education Opportunity Bill (Act 60) that allows the state to finance public education through a direct state property tax, the "local share" (an indirect state property tax), and other general fund revenues. Funds would be distributed to local districts. The Senate, by a vote of 18 to 12, passed an amendment to allow parents to use the state block grant (now $5,400 per pupil) to send their child to any approved non-sectarian school beginning in 2003. This provision was dropped at the insistence of House conferees. An identical amendment offered in 1998 by Senator Vincent Illuzzi (R–Essex, Orleans) was rejected by a vote of 12 to 17.

In 1999, the new Chittenden school board voted 2 to 1 to stop funding the tuition of students at Mt. St. Joseph's Academy. The Vermont Supreme Court ruled in *Chittenden* on June 11, 1999, that school districts may not make tuition payments to sectarian schools "in the absence of adequate safeguards against the use of such funds for religious worship." The ruling was based on the "compelled support" clause of the state constitution (Chapter I, Article 3). The U.S. Supreme Court declined to hear an appeal.

A new private scholarship program, Vermont S.O.S., awarded 135 three-year scholarships to low-income students entering grades K–8 in fall 1999. The scholarships cover 50 percent of tuition up to $2,000 a year. Students already attending private school at the time they received the scholarship would receive 25 percent of the scholarship annually.

In 2000, the legislature enacted Act 150, which allows six students per public high school in 2002–2003 (and 10 in 2003–2004) to transfer from their home district to another. Under the extremely small program, public high schools would be required to contract with at least one other public high school to create a "public high school choice region." The bill gives the commissioner of education the authority to exempt school districts if they meet certain criteria. The bill will affect very few children, since it involves only a handful of students per public high school and a district can opt out of the program for any plausible reason.

The House rejected two proposals to study expanding school choice. An amendment to S. 203, the "public school choice bill," was designed to circumvent the adverse court ruling on money going to religious schools. Although the justices in the *Chittenden* case suggested that there might be a way to provide public funding for some educational activities at religious schools, the amendment failed on a vote of 47 to 76. Another amendment calling for a committee of parents, educators, business leaders, and lawmakers to study charter schools was defeated 68 to 67.[633]

Developments in 2001

Several parental choice bills have been introduced but not acted on:

- H. 104 to allow the state block grant of $5,400 per pupil to follow students who change high schools under the Act 150 program. The bill never made it out of committee.
- H. 174 to authorize the state Board of Education to create up to 15 charter schools. The bill never made it out of committee.
- H. 342 to allow taxpayers to take a 50 percent refundable income tax credit for donating to a non-profit education assistance organization that provides scholarships to independent schools. The bill never made it out of committee.
- H. 468 to create a tuition voucher program for three counties that includes faith-based schools.[634] The bill died in committee.
- Section 281 of the FY 2002 appropriations bill created a committee on charter schools that is to report to the legislature in December 2001. Four of the members of the committee will be appointed by the governor, who reportedly has stated his opposition to charter schools.[635]

Position of the Governor / Composition of the State Legislature

Governor Howard Dean, a Democrat, has said he is in favor of "empowering parents" to choose a public school of choice, but is opposed to parental choice for private or faith-based schools and charter schools. The House is controlled by Republicans; the Senate is controlled by Democrats.

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[633] E-mail correspondence from Libby Sternberg of Vermonters for Better Education, May 5 and 6, 2000.

[634] E-mail correspondence from John McClaughry of the Ethan Allen Institute, April 12, 2001.

[635] E-mail correspondence from John McClaughry of the Ethan Allen Institute, July 3, 2001.

VIRGINIA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: No
- Charter school law: Established 1998
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 1
  Number of students enrolled in charter schools (fall 2000): 30
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 44th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,149,818
- Number of schools (1998–1999): 1,815
- Current expenditures: $7,270,506,000
- Current per-pupil expenditure: $6,323
- Amount of revenue from the federal government: 5.5%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 89,876
- Average salary: $40,197
- Students enrolled per teacher: 12.8
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Virginia Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	3% (2%)	2% (2%)	3% (4%)	2% (3%)
Proficient	(24%)	24% (23%)	30% (28%)	17% (18%)	18% (19%)	25% (24%)
Basic	(31%)	34% (31%)	45% (41%)	43% (42%)	37% (38%)	32% (33%)
Below Basic	(37%)	36% (39%)	22% (28%)	38% (38%)	42% (39%)	41% (40%)

- SAT weighted rank (2000): 12th out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

In 1991, the Secretary of Education asked the state Board of Education to study school choice developments around the country and evaluate the feasibility of implementing choice in Virginia. A sample survey of Virginians conducted in conjunction with this study revealed broad support for the concept, and great support when the options included religious schools.

When Governor George Allen, a Republican, took office in 1994, he showed a strong interest in education alternatives. His "Blue Ribbon Strike Force" Commission on Government Reform recommended that the state provide "all parents with maximum choice possible in the determination of the education of their children" and called for school choice to "increase the competitive behavior among schools and school districts."

The Governor's Commission on Champion Schools examined primary and secondary education around the state and recommended numerous statewide education reforms to promote higher academic standards and greater accountability. It also examined educational alternatives and noted that the "most discredited idea in economics is that a government monopoly is the best way to deliver services." The commission in 1994 called for a variety of choices, including charter schools, intradistrict and interdistrict choice, opportunity grants, and tuition tax credits, and it suggested vouchers for parents of students whose schools lose their accreditation.

State Delegate Jay Katzen (R–31) introduced a bill in 1998 to study the feasibility of granting state or local tax credits for private school tuition payments and home instruction. The bill died in committee.

After several attempts, the state finally passed charter school legislation in 1998. Charter schools, like traditional public schools, must adhere to most regulations covering operations, including curriculum standards and testing as well as requirements governing pupil-staff ratios and licensing. It stipulates that the schools must be a part of a local school division and approved by the local school board, with no appeals process. Charters were limited to two per school division until July 1, 2000, when up to 10 percent of a division's total number of schools could be charters.

Under the state's new Standards of Accreditation for public schools advocated by then-Governor Allen and approved in 1997, a public school will lose its accreditation if a sufficient number of students do not meet the state standards for achievement.

H.B. 1740 and its companion S.B. 866, the Virginia Children's Educational Opportunity (CEO) Act of 1999, were introduced on January 13, 1999. Championed by the Virginia-based Family Foundation, the bill would phase in a tax credit of up to $500 for individuals or businesses that make donations to organizations that give scholarships to low-income children in grades K–12. It also proposed a credit of 80 percent to 100 percent of education costs for parents of children in private, parochial, or home-schools and other public schools besides the child's assigned school. These credits would be phased in over five years. The bill stalled in committee.[636]

Late in 1999, the Virginia Institute for Public Policy proposed a universal tuition tax credit plan. Parents would receive a dollar-for-dollar reduction in their state income tax liability for every dollar they spent on tuition, up to 50 percent of the state per-pupil expenditure or 80 percent of private school tuition, whichever is less. If the student's family fell below the federal poverty level, the full amount of the tuition would be allowable up to the maximum of 50 percent of the public school per-pupil expenditure. Individuals who pay others' tuition would be eligible to receive the same tax credit, and corporations would receive a 100 percent tax credit for money donated for scholarships.

Following negotiations with the U.S. Department of Education in 1998, Virginia received a three-year federal grant to support charter school planning and implementation. Each charter could receive up to $100,000 for these efforts.

The Virginia Children's Educational Opportunity Act was reintroduced in modified form in both houses of the General Assembly in 2000. H.B. 68 would provide state tax credits of up to $2,500 for each child to defray the costs of qualifying educational expenses, including private school tuition, textbooks, and tutoring. It also would provide up to a $550 tax credit for each home-schooled child and a $500 tax credit for donors to a scholarship fund—a "School Tuition Organization"—to benefit low-income families. On the opening day of the session, hundreds of supporters attended a rally to push the legislation. The bill failed to clear the House or Senate finance committees.

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[636] See *www.vachoice.home.mindspring.com*.

In fall 2000, a new private scholarship program, Children First Virginia was begun by former Circuit City Stores CEO Rick Sharpo. It assists low-income students in Central Virginia and Richmond with scholarships of up to $2,000 each for tution expenses at any school of choice.

Virginia's first charter school, Victory Academy, opened for 50 students in rural Gloucester County in fall 2000. With a class size of 10 and a highly structured academic program, Victory provides secondary students an opportunity to succeed.[637]

In fall 2000, U.S. Senate candidate George Allen reintroduced his campaign proposal for a $1,000 education tax credit.[638]

Governor James Gilmore, a Republican, reported that students had made double-digit gains on the Standard of Learning tests since the tests were first administered in 1998. The biggest gains came in Algebra II scores for high school students, followed by history and social science.[639]

The 2000 General Assembly amended a 1998 law that gave local school boards the option of refusing charter school applications. As of October, 41 school boards had voted to accept charter applications; 18 decided not to accept them, including Fairfax County in Northern Virginia. Some school board members protested the decision, concerned over lack of public awareness of the option.

In December 2000, the Alexandria school board voted unanimously to consider charter schools, making it one of three suburban districts in Northern Virginia to hear proposals for such schools. Neighboring Arlington County voted 4 to 1 to reject charter school applications, stating that the county already offered parents a variety of options.[640]

In late December, former U.S. Secretary of Education William Bennett announced the opening of a new company specializing in online education. The company, K12, plans to develop an online K–12 curriculum that allows students to study major subjects and take tests online, combined with some lesson workbooks. Based on tough standards and frequent testing, the school plans to market its online lessons to a variety of potential users, including parents of home-schooled children, charter schools in need of educational materials to supplement course work, students who need extra help, and schools wishing to add an online components to their curriculum. Bennett says his company offers "a back to basics approach…combining traditional learning and powerful technology."[641]

Developments in 2001

As of January 2001, 76 school divisions had approved the concept of charter schools and are accepting applications.[642] Two charter schools are now operating in the state (as of July 2001), and a third one is being planned.[643]

Alexandria School Board Chairman Stephen Knealy stated that "charter schools are not the evil empire."[644] In late June, Prince William County voted to accept charter school applications. Falls Church, Loudoun, Stafford, and Fauquier Counties also have voted to consider charter schools. In Prince William County, a charter school could open for the 2002–2003 year. The next step, proponents on the school board say, is to come up with an application process that will meet the standards of the board, which will have ultimate control over charter schools as well as public schools.[645]

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[637] Milton & Rose D. Friedman Foundation, *The Friedman Report*, Issue 3 (2000).

[638] R. H. Melton, "Allen Pledges Action of Education Tax Break," *The Washington Post*, September 7, 2000.

[639] Vaishali Honawar, "Students Make Gains in Algebra, English," *The Washington Times*, September 8, 2000.

[640] Emily Wax, "Alexandria Votes to Consider Charter Schools," *The Washington Post*, December 21, 2000.

[641] Neil Irwin, "E-Schooling Firm Set to Open," *The Washington Post*, December 28, 2000.

[642] *Ibid.*

[643] Phone conversation with Cheri Yecke, Virginia Deputy Secretary of Education, April 16, 2001.

[644] E-mail correspondence from Lil Tuttle of the Clare Boothe Luce Policy Institute, April 16, 2001.

In January, the Family Foundation organized a rally at the state Capitol to support proposed education tax credit legislation. H.B.1961 proposed a $500 tax credit for low-income parents and parents who send their children to private schools.[646] The bill would create an indirect tuition tax-credit plan for donors that give to organizations for scholarships of up to $3,100 per child per year at a private school. Other bills offered direct tax credits to parents who sent their children to private schools, but those died in committee.

In order to gain majority support in the House Finance Committee, however, its sponsor amended the bill to delete direct parental tax credits and create a "scholarship only" tax credit program. The scholarship-only bill passed the Finance Committee on January 22, 2001, by a 12 to 11 vote. Subsequent amendments adopted by the House were hostile to the tax credit, and the bill's sponsor withdrew the measure on January 31.[647]

Two school choice bills were filed in 2001:

1. H.B. 2498, the Education Certificate Act sponsored by Delegate William P. Robinson, Jr. (D-90/Norfolk), a member of the Black Caucus. It would create a parental choice program to provide vouchers to low-income children in grades K–12 "to provide for equal opportunity of educational choices by making private education a feasible choice." The bill was defeated in committee.
2. H.J.R. 561, sponsored by Delegate Robert Marshall (R–13/Manassas), would establish a joint subcommittee to study such choice as vouchers, tuition tax credits, and deductions, and to report back to the governor and the 2003 legislature. The bill was tabled in the Rules Committee.[648]

Fall 2001 registration for William J. Bennett's for-profit virtual school, K12, began in May 2001. The school, currently registering students for grades K–2, will expand by 2004 to offer a full academic course load to students in K–12.[649]

Position of the Governor / Composition of the State Legislature

Governor James Gilmore, a Republican, stated in 1999 that he would support any reform that would improve public education, one of his priorities as governor. He signed a charter school amendment in 2000 and has tried to strengthen the law on two occasions. He has no stated position on vouchers or tax credits. Republicans control both houses of the legislature.[650]

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[645] Christina Samuels, "Board Weighs Next Step on Charter Schools," *The Washington Post*, July 1, 2001.

[646] Phone conversation with Lil Tuttle, Education Director of the Clare Booth Luce Policy Institute, January 15, 2001.

[647] National School Board Association, see *www.nsba.org/novouchers*.

[648] E-mail correspondence from Lil Tuttle of the Clare Boothe Luce Policy Institute, April 17, 2001.

[649] Andrea Billups, "Bennett Offers Virtual School as Parent's Alternative," *The Washington Times*, May 29, 2001.

[650] Craig Timberg, "Earley Shifts on School Vouchers," *The Washington Post*, July 4, 2001.

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WASHINGTON

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: Yes
- Ranking on the Education Freedom Index: 20th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 1,020,357
- Number of schools (1998–1999): 2,066
- Current expenditures: $6,743,203,000
- Current per-pupil expenditure: $6,609
- Amount of revenue from the federal government: 7.8%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 50,951
- Average salary: $42,101
- Students enrolled per teacher: 20
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Washington Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	2% (2%)	1% (2%)	4% (4%)	2% (3%)
Proficient	(24%)	23% (23%)	30% (28%)	20% (18%)	22% (19%)	25% (24%)
Basic	(31%)	34% (31%)	45% (41%)	46% (42%)	41% (38%)	34% (33%)
Below Basic	(37%)	37% (39%)	23% (28%)	33% (38%)	33% (39%)	39% (40%)

- SAT weighted rank (2000): 1st out of 24 states and the District of Columbia
- ACT weighted rank (2000): N/A

Background

Washington offers post-secondary enrollment options to allow 11th and 12th grade students to take courses, free of charge, for high school or college credit at community or technical colleges. Students enrolled in a private school or in home schooling also may take advantage of this option.

The state has been in the spotlight since 1997, when Attorney General Christine Gregoire filed a lawsuit against the Washington Education Association (WEA). The suit charged that the WEA had committed multiple violations of campaign finance law in the 1996 campaign to oppose statewide charter school and voucher initiatives.

Among the violations were the failure to correctly report hundreds of thousands of dollars in campaign contributions and concealing the fact that the NEA employed highly paid political operatives and funneled $410,000 through the WEA to oppose the 1996 ballot initiatives on charter schools and vouchers. For these violations, the WEA and some officials were fined more than $108,300 and the union was ordered to return a share of a $330,000 repayment to each member.

One charge that was not addressed was that the WEA's actions had violated Washington State's "paycheck protection" statute requiring annual written authorization before a payroll deduction can be diverted for political contributions. Instead, the Attorney General prepared guidelines interpreting the paycheck protection statute so as not to apply to labor organizations using general dues for election campaign contributions.

These permissive guidelines helped the ailing union. Contributions to the WEA's political action committee had dropped off dramatically after the violations came to light: The union reported that more than 85 percent of the state's public school teachers refused to contribute to the PAC. The guidelines now allow the WEA to supplement PAC contribution losses with mandatory dues from its members.

The Evergreen Freedom Foundation and Teachers for a Responsible Union filed a lawsuit charging the WEA had violated the paycheck protection law by diverting employee payroll deductions to political campaigns without members' permission. The lawsuit claimed that the union's political activities were so extensive that it had violated public disclosure laws governing PACs. In August 1999, a lower court ruled that, although the WEA had spent more money on campaigns than nearly all PACs, it was not obligated to disclose its financial activity as a political action committee. The decision was appealed by the foundation and the teachers.

After 32 months of motions, court appearances, and depositions, the WEA agreed in 2000 to drop its counterclaim lawsuit against the Evergreen Freedom Foundation.[651] Meanwhile, state Attorney General Gregoire filed suit against the union for illegally using agency fees for political purposes. The maximum penalty is $10,000 per infraction—which brings the total fine to nearly $42 million.[652]

While admitting it had violated the law, the WEA blamed its actions on "technical accounting errors." The state Public Disclosure Commission turned the case over to the Attorney General because the commission did not feel its penalty authority ($2,500) was sufficient given the size of the violation.[653]

The legislature held a hearing on H.B. 2019 and its companion S.B. 7901, which authorize the creation of charter schools, at the end of the 1998 session. Both bills died in committee despite broad support from the governor, the Superintendent of Public Instruction, a majority of House Democrats, and a majority of House and Senate Republicans. Not one of the nine Democrats on the Senate Ways and Means Committee voted to send the bill to the floor.

Charter school supporters in the legislature introduced a bill (H.B. 2415) in 2000 with new backing by Senator Julia Patterson (D). It would allow for the creation of 20 charter schools in districts with public school enrollments above 2,000. The charters would have fiscal and legal autonomy; they would receive 75 percent to 100 percent of a school's per-pupil funding, access to start-up grants, and local and state matching funds for facilities.

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[651] Atlas Economic Research Foundation, *Highlights*, Summer 2000.

[652] Education Intelligence Agency Communiqué, *The Education Intelligence Agency*, October 10, 2000.

[653] Education Intelligence Agency Communiqué, *The Education Intelligence Agency*, October 2, 2000.

Under a procedural rule of the legislature, however, all bills had to pass either the House or Senate by 5:00 p.m. on February 15, 2000. Although the charter bill had been on the floor calendar for several days, it was not brought up for a vote. Thus, for the seventh consecutive year, the legislature failed to pass a charter school law. In response, the campaign for charters collected over 300,000 signatures to place the issue on the November 2000 ballot. The initiative was virtually identical to H.B. 2415, except that it authorized up to 20 charters a year for four years.

In October 2000, the state Office of the Superintendent of Public Instruction reported that only 23 percent of 4th graders had met the standards in the reading, writing, listening, and math portions of the Washington Assessment of Student Learning (WASL). These appalling test results raise questions about how many students will meet the higher academic standards for high schoolers, who will be required to pass the 10th grade WASL to graduate in 2008.[654]

Billionaire Microsoft co-founder Paul Allen entered the campaign to bring charter schools to Washington State through ballot Initiative 729. He promised financial support and hired a public relations firm to manage signature gathering for the initiative. He also promised major financial support once the initiative qualified for the ballot. Allen announced that he would donate $200,000 to another initiative, Initiative 728, which sought to increase funding for education in order to help raise student achievement, especially by lowering class size.[655]

As of November 2000, a wide range of newspapers had endorsed Initiative 729, including the *Seattle Times*, *Seattle Post-Intelligencer*, *Tacoma News Tribune*, *Spokane Spokesman-Review*, *Vancouver Columbian*, *Olympia Olympian*, *Wenatchee World*, *Walla Walla Union Bulletin*, and *Seattle Weekly*. In addition, the initiative enjoyed bipartisan support from the co-speakers of the state House of Representatives, Frank Chopp (D) and Clyde Ballard (R). The initiative suffered a narrow defeat in the November ballot: 52 percent to 48 percent.

Despite that defeat, school choice advocates found the election results encouraging. In 1996, the charter school initiative won only 36 percent of the vote, and it did not win 40 percent of the votes in a single county. In 2000, the initiative won over 1 million votes, actually winning in several counties, and came very close to the 50 percent it needed for approval. Advocates hope to continue to educate the public about the benefits of charter schools and public school choice.[656] In contrast, Initiative 728 passed with 72 percent of the vote, directing money from state budget surpluses back to the localities where school boards can use it to reduce class size, add learning opportunities outside the traditional school day, and fund other specified purposes.[657]

Seattle became one of the 40 "partner cities" of the Children's Scholarship Fund (CSF) in 1998. The CSF is a $100 million foundation underwritten by entrepreneurs Ted Forstmann and John Walton. It matches money raised by Seattle residents to fund approximately 250 private scholarships for low-income students to attend a school of choice. The scholarships were awarded for a minimum of four years to children in grades K–8 the following year.[658] On April 22, 1999, the CSF announced the recipients, who were selected randomly by computer-generated lottery. In Seattle and Tacoma, 250 scholarship recipients were chosen from 8,259 applicants.

Developments in 2001

The Urban League of Metropolitan Seattle is planning a high school for high-achieving minority students who want to go to a four-year college. Kurt Lauer, a teacher at Cooper Elementary, who is trying to persuade the district to open innovative schools, has asked for permission to open a middle school similar to the KIPP Academies in Texas and New York. At KIPP Academies, once low-performing, low-income students are now achieving very high scores on standardized tests.[659]

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[654] Keith Ervin, "Only 1 in 4 Pass Entire 4th Grade State Test," *The Seattle Times*, October 24, 2000.

[655] Linda Shaw, "Paul Allen Pushes Charter Schools," *The Seattle Times*, May 25, 2000.

[656] E-mail correspondence from Jim Spady of the Education Excellence Coalition, November 13, 2000.

[657] Staff Report, "Voters Deliver Verdict on Host of State Ballot Questions," *Education Week*, November 8, 2000.

[658] See Children's Scholarship Fund Web site at *www.scholarshipfund.org*.

The Children First Educational Foundation of Whatcom County is gearing for a second round of partial tuition scholarship awards to children who want to attend private school but cannot afford the tuition. The scholarships, financed largely by a local retired software services company owner, are based on family income. Last year, the foundation paid about 90 percent of tuition expenses for nine children. This year, it plans to award smaller amounts of money in order to give scholarships to more children.[660]

Three parental choice bills were introduced in 2001:

1. S.B. 5337 to authorize vouchers, or opportunity scholarships, worth up to $4,000 for students in low-performing schools to attend a private school or another public school in the same district. The bill did not receive a hearing before the cut-off date and died in committee.[661]
2. S.B. 5666 to create the Student Improvement Tuition Scholarship Program, which would allow any child experiencing academic or behavioral difficulties in a public school to receive a voucher to attend any private school approved by the state Board of Education. The bill died in committee but may be reconsidered in 2002.
3. The Senate rejected efforts to attach a voucher amendment to a school reform bill during consideration of the measure. The amendment would have authorized $4,000 taxpayer-financed vouchers to go to students who attend schools that perform poorly for three consecutive years.

Angered by state education plans, about 5,000 teachers in Seattle and three suburban districts staged a one-day walkout in May, effectively shutting down classes for 70,000 students. Ironically, the president of the Seattle Education Association, John Dunn, claimed "we're doing this because every day our students are being shortchanged." The teachers were protesting the amount of money set aside for education in state budget proposals. In November 2000, Washington voters approved an education initiative mandating annual cost-of-living raises for school employees. But the spending plans provided raises only for school employees paid by the state, leaving school districts to cover the rest.[662]

Position of the Governor / Composition of the State Legislature

Governor Gary Locke, a Democrat, supports charter schools. The Senate is controlled by Democrats. Power is shared in the House because of a 49 to 49 tie.

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[659] Linda Shaw, "Charter Advocated Push for Innovation," *The Seattle Times*, January 21, 2001.

[660] School Choice News, January 28, 2001; see *www.schoolchoicenews.org*.

[661] E-mail correspondence from Jim Spady of the Education Excellence Coalition, April 11, 2001.

[662] Associated Press, "Seattle Teachers Stage Walkout," *The Arizona Republic*, May 2, 2001.

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WEST VIRGINIA

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Intradistrict/Mandatory)
- Charter school law: No
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 49th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 285,785
- Number of schools (1998–1999): 816
- Current expenditures: $2,491,417,000
- Current per-pupil expenditure: $8,718
- Amount of revenue from the federal government: 9.4%
- Evaluation of school performance: Report card and ratings

K–12 Public School Teachers (2000–2001)

- Number of teachers: 20,791
- Average salary: $35,765
- Students enrolled per teacher: 13.7
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests West Virginia Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	2% (2%)	1% (2%)	4% (4%)	2% (3%)
Proficient	(24%)	23% (23%)	30% (28%)	20% (18%)	22% (19%)	25% (24%)
Basic	(31%)	34% (31%)	45% (41%)	46% (42%)	41% (38%)	34% (33%)
Below Basic	(37%)	37% (39%)	23% (28%)	33% (38%)	33% (39%)	39% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 20th out of 26 states

Background

West Virginia has no charter school programs and offers only limited public school choice. Students can transfer to a school of choice within the district. In 1998, a bill (H.B. 4403) was introduced to authorize a tax credit of up to $1,000 for parents or legal guardians who pay tuition to send their children to private school. The bill died in committee.

A bill introduced in the 1999 and 2000 sessions also proposed tuition tax credits of up to $1,000. H.B. 2824 would permit a credit of up to 50 percent of expenses (not to exceed $1,000) for costs such as tutoring, computer purchases, school uniforms, or textbooks. The bills both died in House committee.[663]

Developments in 2001

No developments were reported.

Position of the Governor / Composition of the State Legislature

Governor Bob Wise, a Democrat, opposes school choice and vouchers. He has no plans to initiate a charter school program. Both Houses of the legislature are controlled by Democrats.

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[663] See the National School Board Association at *www.nsba.org/novouchers*.

WISCONSIN

State Profile (Updated July 2001)

School Choice Status

- Public school choice: Statewide (Interdistrict/Mandatory)
- Charter school law: Established 1993, amended 1997
  Strength of law: Strong
  Number of charter schools in operation (fall 2000): 95
  Number of students enrolled in charter schools (fall 2000): 7,210
- Publicly funded school choice: Yes (Milwaukee Parental Choice Program, since 1990)
- Privately funded private school choice: Yes
- Ranking on the Education Freedom Index: 3rd out of 50 states

K-12 Public Schools and Students (2000-2001):

- Public school enrollment: 881,330
- Number of schools (1999-1999): 2,109
- Current expenditures: $7,268,796,000
- Current per-pupil expenditure: $8,248
- Amount of revenue from the federal government: 5.7%
- Evaluation of school performance: Report card and ratings

K-12 Public School Teachers (2000-2001)

- Number of teachers: 58,224
- Average salary: $41,646
- Students enrolled per teacher: 15.1
- Largest teachers union: NEA

K-12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Wisconsin Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	2% (2%)	3% (2%)	5% (4%)	4% (3%)
Proficient	(24%)	28% (23%)	31% (28%)	24% (18%)	27% (19%)	35% (24%)
Basic	(31%)	38% (31%)	46% (41%)	47% (42%)	43% (38%)	34% (33%)
Below Basic	(37%)	28% (39%)	21% (28%)	26% (38%)	25% (39%)	27% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 1st out of 26 states

Background

In April 1990, Governor Tommy Thompson, a Republican, signed legislation spearheaded by State Representative Annette "Polly" Williams (D–Milwaukee) to give low-income Milwaukee parents the opportunity to send their children to a private or religious school of choice. The Milwaukee plan offers this alternative to families whose incomes are at or below 1.75 percent of the poverty level. The vouchers are limited to 15 percent of the district public school enrollment (a maximum of about 15,000 scholarships a year). Recipients are selected by lottery. In 1999–2000, the plan provided more than 8,000 students with scholarships of up to $5,000 each that enabled them to attend 91 private or religious schools of choice. After surviving a grueling round of constitutional challenges, participation in the Milwaukee Parental Choice Program has expanded every year since its inception.

The first five annual evaluations (1991–1995) of the Milwaukee choice program were conducted for the Wisconsin Department of Public Instruction by John F. Witte, a professor of political science at the University of Wisconsin in Madison. His survey revealed high levels of parent and student satisfaction with the program as well as increased parental involvement at participating schools and improved discipline and attendance. But because Witte had compared the children in the choice program with the general student population of Milwaukee rather than with children from similar socioeconomic backgrounds, he initially found no rise in academic test scores for choice students and stated that no firm conclusion could be drawn from the results.

However, nearly all parents with children participating in the program reported that their children were improving academically, their attitudes toward school had improved, and they planned to stick with the schools they had chosen.[664] Witte released his data for peer review after the fifth-year evaluation. A secondary analysis of his data, which compared students in the choice program to those who had applied but were randomly rejected, showed significant improvements in academic achievement. This analysis was conducted by Paul Peterson of the John F. Kennedy School of Government, the Department of Government at Harvard University, and Jay Greene of the Center for Public Policy at the University of Houston.

Their study found that the reading scores of students in their third and fourth years in the Milwaukee choice program were, on average, three to five percentile points higher, and math scores were five to 12 percentile points higher, than those of students who were unable to get a scholarship.[665] The significance of these results led the researchers to conclude that "If similar success could be achieved for all minority students nationwide, it could close the gap separating white and minority test scores by somewhere between one-third and more than one-half."[666]

A later study by Cecilia Rouse of Princeton University also found that the Milwaukee choice program significantly increased the mathematical achievement of students who participated in the program.[667]

After conducting follow-up research, Witte endorsed the voucher program in a book released in early 2000.[668]

Governor Thompson proposed an expansion of the choice program in his fiscal 1995–1997 budget and included religious schools in the range of schools from which parents could choose. On July 26, 1995, the governor signed the expanded program into law. The major provisions of Wisconsin's expanded choice program are as follows:[669]

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[664] For copies of annual evaluations of the Milwaukee Parental Choice Program, contact the Wisconsin Department of Public Instruction, P.O. Box 7841, Madison, WI 53707-7841, (608) 266-1771.

[665] Jay P. Greene and Paul E. Peterson, "The Effectiveness of School Choice in Milwaukee: A Secondary Analysis of Data from the Program's Evaluation," American Political Science Association Panel on the Political Analysis of Urban School Systems, August– September 1996. See also Jay P. Greene, Paul E. Peterson, and Jiangtao Du, "School Choice in Milwaukee: A Randomized Experiment," in Paul E. Peterson and Bryan Hassel, eds., *Learning from School Choice* (Washington, D.C: Brookings Institution, 1998).

[666] Greene and Peterson, "The Effectiveness of School Choice in Milwaukee: A Secondary Analysis of Data from the Program's Evaluation," p. 4.

[667] Cecilia E. Rouse, "Private School Vouchers and Student Achievement: An Evaluation of the Milwaukee Parental Choice Program," Department of Economics, Princeton University, December 1996.

[668] Joe Williams, "Ex-Milwaukee Evaluator Endorses School Choice," *The Sunday Journal Sentinel*, January 9, 2000, p. 1.

- Eligibility is limited to Milwaukee families with incomes at or below 175 percent of the federal poverty level. An estimated 65,000 to 70,000 children are eligible under this guideline.
- Participation is limited to 15 percent of enrollment in the MPS system, or about 15,700 students. In the original program, participation was limited to 1.0 percent of MPS enrollment; which was increased to 1.5 percent in 1993. The legislature approved expanding the program to include up to 7,250 students in the first year.
- Students may attend any participating private K–12 school in Milwaukee, including religious schools. For the 1999–2000 school year, the voucher amount is set at $5,106 per student or the school's cost per student, whichever is less. Private schools in the program are paid for operating costs and debt service.
- As payment, the state issues a check made payable to the school and the parent or guardian of a participating student, and mails it to the private school; the check is then endorsed by the parent and used by the school for that student's expenses.

From fall 1995 until mid-1998, the education establishment and its allies prevented Milwaukee's low-income children from taking advantage of the expanded choice program. The American Civil Liberties Union and Wisconsin's NEA affiliate joined the National Association for the Advancement of Colored People (NAACP) to challenge the program's constitutionality in court. In August 1995, the court temporarily blocked implementation of the program.

The 1995 injunction came as approximately 2,000 newly eligible students were to begin classes at religious schools. The day the injunction was handed down, parents and supporters launched a campaign to raise the funds to enable these students to stay in school. By mid-September, they had raised about $2 million. Hundreds of contributions from individuals and employers were matched by a $1 million grant from the Lynde and Harry Bradley Foundation. With the in-kind contributions from schools and personal sacrifices made by parents, nearly all the children who had enrolled in the expanded Milwaukee program were able to stay in their school of choice.

Under the leadership of Parents Advancing Values in Education (PAVE), millions more were raised to support the children for the 1996–1997 and 1997–1998 school years. As a result, while litigation proceeded, the number of low-income children benefiting from school choice increased to about 6,000. This included about 1,500 students at non-sectarian schools in the tax-supported program and about 4,500 students with PAVE scholarships, most of whom attended religious schools.

The 1995 injunction was the first step in a protracted legal battle over the expanded choice program that did not end until 1998. In a historic 4 to 2 ruling on June 10, 1998, the Wisconsin Supreme Court sustained all aspects of the Wisconsin expanded choice program, holding that it complied with the U.S. Constitution and the state constitution. The court found that the program does not violate the separation clauses because it is neutral between religious and secular options, and parents or children direct the funds. The court also ruled that the program does not violate the state constitution because it operates primarily to the benefit of children, not the religious schools. The court dismissed NAACP claims that the program would segregate Milwaukee students. Students who were eligible in 1995 but who enrolled in private schools using PAVE scholarships were still eligible for the program.

The decision weakened allegations by opponents of school choice that the program violates the Establishment Clause of the U.S. Constitution. Citing a 1971 U.S. Supreme Court ruling, the Wisconsin court's majority opinion, written by Justice Donald W. Steinmetz, stated that, "The simplistic argument that every form of financial aid to church-sponsored activity violates the Religion Clauses was rejected long ago." Moreover, "Not one cent flows from the state to a sectarian private school under the [plan] except as a result of the necessary and intervening choices of individual parents." The one-paragraph dissenting opinion addressed only the state constitution's religious establishment provision. The First Amendment issue was settled by a vote of 4 to 0 in favor of choice. Opponents appealed this decision to the U.S. Supreme Court, which decided not to review the case on November 11, 1998, effectively upholding the Milwaukee choice program as constitutional.

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[669] From information provided by American Education Reform Council, Milwaukee, Wisconsin.

The momentum for educational reform in Wisconsin received a boost in 1997 when the legislature approved Governor Thompson's plan to expand and strengthen the charter school law. The most significant change affects Milwaukee, where charter schools operate independently of affiliation or approval of the city's public school system. Chartering authority has been extended to the city of Milwaukee, the University of Wisconsin–Milwaukee, and the Milwaukee Area Technical College. The expanded charter program began modestly in 1998–1999 with two schools operating under a City of Milwaukee charter. Since then, many schools have shown an interest in participating, including some seeking charters from the University of Wisconsin–Milwaukee.

Meanwhile, a report by the Greater Milwaukee Education Trust, released on February 16, 1998, found that even though spending in the Milwaukee public school system had increased by 66 percent over the past 10 years, there had been no improvement in graduation rates, attendance rates, or the overall grade-point average during that period.[670]

In the 1999 Milwaukee School Board elections, touted by the Milwaukee Teachers Education Association as a referendum on school choice, all five union-supported candidates (including three incumbents) were defeated.

More than 8,000 choice students attended almost 100 parochial and private schools in 1999 thanks to the voucher program and the public's desire for choice. An October 1999 poll of 800 people in the Milwaukee area conducted by the *Milwaukee Journal Sentinel* found that 60 percent supported the private school voucher program. The strongest support for the current choice programs was found among African-Americans and Hispanics (74 percent and 77 percent, respectively). Among people with incomes of less than $11,000 a year, 81 percent supported the current school choice programs.

In 2000, the official evaluator of the Milwaukee school choice program, John Witte endorsed the Milwaukee choice program in a book entitled *The Market Approach to Education: An Analysis of America's First Voucher Program*, saying that choice can be a "useful tool to aid low-income families."[671]

A report by the state's Legislative Audit Bureau noted that, despite fears of "creaming" and segregation, school choice programs serve student populations that are identical to that of the Milwaukee public school system itself. Additionally, it found that most of the schools participating in the Milwaukee choice program provided high-quality academic programs and tests.[672]

Nearly half the schools participating in Milwaukee's private school choice program returned some money to the state in 1999–2000. In two cases, they returned more than $100,000 each because they could not spend the $4,894 stipend they were given to educate each student. Audits filed with the state Department of Public Instruction showed that 39 of 82 schools that had choice students during that school year spent less than $4,894 per student, resulting in return payments of nearly $1.2 million to the state. In contrast, the Milwaukee public schools' budget for 2000–2001 allotted about $9,500 to educate each student.[673]

Racial integration in private schools increased after a 1998 Wisconsin Supreme Court decision adding religious schools to the Milwaukee Parental Choice Program, according to a study by Marquette University's Institute for the Transformation of Learning. The study analyzed public and private school enrollment in 1999–2000, the second year that religious schools were able to participate in the choice program.[674]

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670. The Blum Center's *Educational Freedom Report*, No. 57, March 20, 1998.

671. Williams, "Ex-Milwaukee Evaluator Endorses School Choice."

672. See *www.legis.state.wi.us/lab/windex.htm*.

673. Joe Williams, "Half of Choice Schools Spend Less than State Allots," *The Milwaukee Journal Sentinel*, May 21, 2000.

Wisconsin state law allows Milwaukee public schools to refuse to accept students based on poor attendance, previous expulsion on the basis of discipline records, academic achievement, interviews, or written applications. In Milwaukee, 37 percent of public schools use these selective admissions requirements. Milwaukee voucher schools are not allowed to use the same criteria in their selection process.[675]

In fall 2000, a dispute erupted between the state education department and a group of private Milwaukee schools over voucher payments. Problems arose shortly after the start of the school year, when the department threatened to withhold payments for 13 private schools participating in the voucher program. At issue is whether private school operators must meet the department's definition of a private school before receiving tuition payments for enrolling public school students. In particular, state education officials questioned whether private schools that serve only kindergartners or prekindergartners should receive funding. The department softened its stance only after a lawyer hired by eight of the schools threatened to sue if payments were not made immediately. By mid-October, payments had been approved for all but one of the 13 schools, prompting voucher advocates to renew their criticisms of the department as having conducted a politically motivated campaign against the schools.[676]

Developments in 2001

The school choice program in Milwaukee appears to be having the effect that legislators and advocates hoped that it would. A report by the Milwaukee Archdiocese says that the number of children participating in the school choice program is still on the rise. Nearly 41 percent of all students in Catholic elementary schools and over 16 percent of students at Catholic high schools are participating in the program. These numbers are up from 1998–1999, when the program was initiated, when the similar figures were 33 percent in elementary school and 9 percent in high school. In addition, 78 percent of all school choice students come from either low-income or minority families.[677]

Milwaukee's public elementary schools have improved because of the existence of the private school choice program, according to a study by Harvard Professor Caroline Hoxby released in February 2001. Hoxby examined performance from 1996–1997 through 1999–2000 and found that at public elementary schools which many students could leave by using the vouchers, performance had improved faster than at public schools where relatively few students could get the vouchers.[678]

Another evaluation of the Milwaukee Parental Choice Program shows that test scores for students enrolled in the program from 1997 to 2000 increased significantly, outstripping those of students in the rest of the state. The data show that the students left behind, however, are faring quite well. Competition to keep students (and funding) provides the administrators and teachers in the traditional public schools with an incentive to pick up the pace and improve performance.[679]

School choice has altered the way Milwaukee public schools operate. Prior to the program, the school boards made all the decisions. Now there is decentralized decision-making. The Milwaukee school board is more responsive to parental demands and new ideas. Principals have been given greater authority in determining how the dollars will be spent in their schools. And since the vouchers provide $5,300 per child versus the over $9,000 per child spent

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674. Howard Fuller, Marquette University Office of Research, press release, June 26, 2000.

675. Editorial, "Minorities for School Choice," *The Washington Times*, August 31, 2000; Alana Kevnes, "Settlement Reached in Wisconsin School-Choice Program," *Education Daily*, September 2000.

676. Darcia Harris Bowman, "Wisconsin Officials Spar with Private Schools over Vouchers," *Education Week*, October 25, 2000.

677. Caroline Hoxby, "School Choice and School Productivity (or, Could School Choice Be a Tide that Lifts All Boats?)" preliminary draft conference report, Harvard University and National Bureau of Economic Research, February 2001, at *www.nber.org/books/schools/*.

678. Associated Press, "City's Public School Gains Linked to Vouchers," *Pioneer Planet*, April 25, 2001. For entire study, see Hoxby, "School Choice and School Productivity."

679. Hanna Skandera and Richard Sousa, "School Choice: The Evidence Comes In," *Hoover Digest*, 2001, No.2., at *www-hoover.stanford.edu/publications/digest/012/skandera.html*.

on public school students, both the private and the public school benefit from the relief on education spending and funding.[680]

The financing system underlying the voucher program recently came under attack as unfair. Taxpayers in communities throughout the state share the burden of financing the program in Milwaukee, sacrificing state aid and raising taxes to help cover 50 percent of the program's $49 million annual price tag. Researchers, however, point out that some districts actually make money under the arrangement, thanks to quirks in the state school funding system, while others receive no benefit. To make matters more complicated, some opponents of the financing system contend that the state is substantially overpaying private schools that accept the vouchers. But supporters of the voucher program say these complaints are merely a tactic to help bring an end to the program.[681]

Governor Scott McCallum, a Republican, recommended expanding the Milwaukee voucher program in his budget bill. He called for increasing the income eligibility cap for families under the voucher program from 175 percent of poverty to 185 percent. He thinks students should be allowed to remain in the program even if their family later exceeds the income eligibility threshold. The Joint Finance Committee rejected these recommendations in late May. McCallum has proposed that the new Board on Education and Accountability conduct a privately funded long-term evaluation of the program.[682]

The Joint Finance Committee blocked a proposal by a key legislator for deep funding cuts in the voucher program.[683] State Senator Russ Decker (D) had asked that the vouchers—now worth up to $5,326 per student—be slashed to $1,000 for elementary students, which would save the state $51 million.[684]

A survey released by voucher supporters indicates that half the students in Milwaukee's private school choice program may not be able to return to their private schools if the plan to slash voucher funding prevails. At least 44 private schools with almost 4,500 choice students said they would close if funding is reduced. Voucher advocate and founder of the Black Alliance for Educational Options Howard Fuller, a professor at Marquette University, noted this conclusion in a letter to state Senate Majority Leader Chuck Chvala (D–Madison), whose caucus voted June 13 to halve choice payments. Another 10 schools with more than 1,000 choice students told the researchers that they would likely close if vouchers were cut.[685]

In response to such legislative threats, supporters of the Milwaukee school vouchers took their case to the state capital in June, arguing that the program saves the state money and spurs private investment in the city. "School choice is working," reads a letter signed by 21 educators, School Board members, and city leaders that was sent to state legislators. "We urge you to consider the irrefutable evidence that school choice produces positive results at a very affordable cost." Milwaukee School Board member Jennifer Morales had claimed, for example, that recent budget cuts are evidence that the voucher program is not benefiting all the city's students. After cutting $31 million from last school year's budget, the district faces a $14 million shortfall in the coming year.

In their letter to state legislators, voucher advocates contend that:

- Choice helped spur nearly $25.7 million in private investments to improve choice schools;
- School districts outside of Milwaukee collectively receive $5.8 million more in state aid than they would without choice, though more districts lose aid rather than gain it under the state's complicated method of funding;
- The state spent less in 2000–2001 to educate the average choice student—$2,929

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[680] John Rossomando, "Milwaukee Public Schools on the Rise, *CNS News*, May 8, 2001.

[681] Julie Blair, "Fight Erupts Over Way Wisconsin Pays for Vouchers," *Education Week*, May 23, 2001.

[682] See the National School Board Association at *www.nsba.org/novouchers*.

[683] Children First America, "A Voice for Choice" e-mail alert, June 4, 2001.

[684] Sam Schulhofer-Wohl, "Lawmaker Urges Deep Cut in School Voucher's Worth," *The Milwaukee Journal Sentinel*, May 25, 2001.

[685] Sam Schulhofer-Wohl, "44 Choice Schools Say They'd Close," *The Milwaukee Journal Sentinel*, June 15, 2001.

instead of the $5,671 average state education expenditure per pupil.[686]

Governor Scott McCallum threatened to veto the entire Senate-passed budget if the legislature approves the proposal to slash the funding for the Milwaukee parental choice program by half.[687] In July 2001, legislators decided to leave the program intact.

In late June, the legislature approved a measure to allow low-income Milwaukee children to use vouchers at private schools throughout Milwaukee County, not just in the city, raise the program's income caps, and allow an unlimited number of children to participate.[688]

Position of the Governor / Composition of the State Legislature

Governor Scott McCallum, a Republican, advocates more teacher and parent control over education, as well as accountability for educational performance. He supports both school choice and charter schools. The House is controlled by Republicans; the Senate is controlled by Democrats.

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[686] Amy Hetzner, "School Choice Backers Take Case to Lawmakers," *The Milwaukee Journal Sentinel*, June 9, 2001.

[687] Center for Education Reform Newswire, June 26, 2001; see *www.edreform.com*.

[688] Children First America, "A Voice for Choice" e-mail alert, June 29, 2001.

WYOMING

State Profile (*Updated July 2001*)

School Choice Status

- Public school choice: Limited (Interdistrict/Voluntary)
- Charter school law: Established 1995
  Strength of law: Weak
  Number of charter schools in operation (fall 2000): 0
  Number of students enrolled in charter schools (fall 2000): 0
- Publicly funded private school choice: No
- Privately funded school choice: No
- Ranking on the Education Freedom Index: 40th out of 50 states

K–12 Public Schools and Students (2000–2001)

- Public school enrollment: 91,194
- Number of schools (1998–1999): 384
- Current expenditures: $656,263,000
- Current per-pupil expenditure: $7,196
- Amount of revenue from the federal government: 7.5%
- Evaluation of school performance: Report card

K–12 Public School Teachers (2000–2001)

- Number of teachers: 6,835
- Average salary: $34,189
- Students enrolled per teacher: 13.3
- Largest teachers union: NEA

K–12 Public and Private School Student Academic Performance

- NAEP test results

NAEP Tests Wyoming Student Performance	(National) 2000 Reading	State (National) 1998 Reading		State (National) 1996 Math		State (National) 1996 Science
	4th Grade	4th Grade	8th Grade	4th Grade	8th Grade	8th Grade
Advanced	(8%)	6% (6%)	2% (2%)	1% (2%)	2% (4%)	2% (3%)
Proficient	(24%)	24% (23%)	27% (28%)	18% (18%)	20% (19%)	32% (24%)
Basic	(31%)	35% (31%)	47% (41%)	45% (42%)	46% (38%)	37% (33%)
Below Basic	(37%)	35% (39%)	24% (28%)	36% (38%)	32% (39%)	29% (40%)

- SAT weighted rank (2000): N/A
- ACT weighted rank (2000): 6th out of 26 states

Background

Wyoming does not have a school choice program. Because the state is largely rural, many believe that instituting school choice programs statewide would present practical problems.

Wyoming's first charter school law was passed on March 6, 1995. It allows for the establishment of public charter schools across the state, but it also restricts the ability of private schools to apply for charter status and mandates minimum state standards. The law places no limit on the number of charters that can be granted (although each charter is limited to a period of five years) and allows charter schools some freedom from the regulatory requirements and laws governing public schools.

Natrona County School District No. 1 is the only district in the state that allows open-enrollment. Eleventh and 12th grade students can take courses for high school and college credit at nearby Casper College. The district also offers several choice schools (magnet schools).

An amendment to offer parents vouchers was introduced in the Senate in 1999 but failed by two votes. State Senator Mike Massie introduced a two-year, $1,000,000 pilot plan to provide seed funding for start-up costs for schools of choice and charter schools across Wyoming.[689] The measure was rejected.

An amendment to the budget bill to allow a two-year voucher pilot program for 50–100 students also failed to pass in 2000.[690]

Two attempts to open a charter school were made in 2000. The schools were turned down the first time and petitions were withdrawn the second. These attempts, however, showed the legislature how weak the state's charter school law is, prompting them to be more favorable to change.[691]

In 2000, the Wyoming Citizens for Educational Choice announced that it had received a $10,000 grant from the Walton Family Foundation to create a charter school, tentatively named the Snowy Range Academy.[692]

Developments in 2001

In February 2001, the Wyoming legislature gave initial approval to a sweeping rewrite of a bill to make it easier to create and open charter schools. Since the charter school law was passed six years ago, not one has been approved. "Our charter school statutes are the sixth-weakest in the U.S," Senator Irene Devin (R–Laramie) told fellow members. "Since 1995 we have had zero success in creating charter schools." Senate File 96 was revamped after numerous problems were found in the original wording. The new version of the bill would:

- Require specific items to be spelled out in a contract between a school district and charter school organizers, such as which local district or state requirements would not apply. Under the previous law, charter schools could not waive state requirements.
- Alleviate the burdensome petition requirement that applicants obtain a required number of signatures in order to apply for a charter. The new law allows applications for a charter rather than petitions.
- Allow charter school supporters to appeal to the state Board of Education if their application is denied by a local district.
- Allow an approved charter school to qualify for 95 percent of the funding allowed under the current K–12 formula based on average student enrollment. Schools could receive double funding the first year to help get them started.[693]

Legislators in 2001 rejected an attempt to start a pilot voucher program as an amendment to the state's supplemental budget. That plan would have authorized vouchers of $3,500 for 100 students to attend private schools. The students would be tested and their scores compared with a control group of 100 students in public school. The legislature would determine whether to continue the program.[694]

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[689] E-mail correspondence from Wyoming Citizens for Educational Choice Communicator, January 10, 2000.

[690] E-mail correspondence from Wyoming Citizens for Educational Choice Communicator, February 27, 2000.

[691] Phone conversation with Nancy Hamilton of the Wyoming Citizens for Educational Choice, April 17, 2001.

[692] Center for Education Reform Newswire, June 8, 2000; see *www.edreform.com*.

[693] Associated Press, "Charter School Bill Moves Forward," February 22, 2001.

[694] See National School Board Association Web site at *www.nsba.org/novouchers*.

Position of the Governor / Composition of the State Legislature

Governor Jim Geringer, a Republican, is pursuing innovative options to reform education. These options include charter schools, combined home school–public school accommodations, and broader opportunities for religious educational choice. Both houses of the legislature are controlled by Republicans.

State Contacts

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Wyoming Citizens for Educational Choice
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Laramie, WY 82072
Phone: (307) 721-9443
E-mail: wyschoolchoice@hotmail.com

MARIANA ISLANDS

Background

The legislature of the Commonwealth of the Northern Mariana Islands (CNMI) considered a comprehensive voucher program in 1996–1997. The public schools on the islands suffer from many of the problems that afflict public schools on the mainland. They are overcrowded and generally unsatisfactory. Many parents living near the worst schools have misrepresented where they live in order to avoid sending their children to those schools. There are no teachers unions, and support for school choice is nearly unanimous. Current school board policy mandates that students are to be bused to a particular school district. Students are not allowed to attend schools in districts other than where they reside.[695]

The CNMI public school system consists of 15 campuses of learning for school-age children from the age of 6 to 18. Of these campuses, 11 are elementary and six are secondary (grades 7–12). Kindergarten is offered. Two new schools—one elementary and one high school—are expected to open in 2002.[696]

In 1997, then-Governor Froilan Tenorio, a Democrat, and State Representative Heinz Hofschneider, an Independent, introduced the Parental Choice Scholarship Program. Under this program, the 12,000 students on the Mariana Islands would receive scholarships of up to $1,500 each to be redeemed at a school of choice.[697] A watered-down version of this plan was approved by the education committee in late 1997, but after the governor failed to win reelection, the plan was never revisited.

Three-term elected Resident Representative Juan Nekai Babauta is a school choice advocate and supports voucher programs similar to one proposed by President Bush.[698]

Developments in 2001

No developments were reported.

Position of the Governor

Governor Pedro P. Tenorio, a Republican, has not made his position on vouchers known.

Contacts

Speaker Ben Fital
CNMI Legislature
P.O. Box 586
Saipan, MP 96950

Office of the Resident Representative of the CNMI
2121 R Street, NW
Washington, DC 20008
Phone: (202) 673-5869

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[695] Phone conversation with Pete Torres, Office of the Resident Representative of the CNMI, April 11, 2001.

[696] See Mariana Islands Web site at *net.saipan.com/cftemplates/pss/index.cfm*.

[697] The Blum Center's *Educational Freedom Report*, No. 49, July 25, 1997.

[698] Phone conversation with Pete Torres, Office of the Resident Representative of the CNMI, April 11, 2001.

PUERTO RICO

Background

Then Governor Pedro Rosello, a Democrat, signed a pilot voucher plan into law in September 1993. The $10 million project enabled parents with annual incomes of less than $18,000 to receive vouchers for up to $1,500 to apply toward tuition at public or private schools of choice, including religious schools. The law allowed all parents to choose among the Commonwealth's public schools as well. In addition, 40 public schools were transformed into self-governing "community schools" that function like charter schools. The vouchers were portable between schools.

In fall 1993, 1,809 vouchers were awarded. Students used 1,181 of these vouchers to transfer from one public school to another; 317 to move from private to public schools; and 311 to shift from public to private schools. A total of 16,889 students chose their own schools in 1994, and nearly 15,000 of them chose to go to public school.

In 1994, the teachers unions filed a lawsuit claiming that Puerto Rico's new school choice law was unconstitutional. The Washington, D.C.-based Institute for Justice supported the pilot voucher program. On November 30, 1994, by a vote of 5 to 2, the Puerto Rico Supreme Court ruled in *Asociacion de Maestros de P.R.* v. *Arsenio Torres* that the scholarship program allowing poor children to attend a school of choice violated the Commonwealth's constitution. The court permitted the program to continue until the end of the 1994–1995 school year, and the public school choice provision was allowed to continue indefinitely. During that year, 14,101 vouchers were awarded, of which 10,598 were used for public school choice, 1,793 were used for transfers from private to public schools, and 1,710 were used for transfers from public to private schools.[699]

Because the decision was based solely on Puerto Rico's constitution, the case has not been appealed to the U.S. Supreme Court. The ruling does not establish a precedent for school choice programs in other states or jurisdictions.

In 1999, the Commonwealth enacted a program to provide low-income parents funds for non-tuition, education-related expenses at a public, private, or religious school of choice. A governing board would decide the amount of the fund to give parents. The plan has been halted by an injunction.[700]3

Developments in 2001

No developments were reported.

Position of the Governor

Governor Sila M. Calderon, a Democrat, has no stated position on school choice.

Contacts

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Washington, DC 20036
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Fax: (202) 778-0721

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[699] "What We Know About Vouchers," WestEd Policy Program, September 1999.

[700] *Ibid.*

A School Choice Glossary

Charter school: A public or government-run school that agrees to meet certain performance standards in exchange for exemptions from public school regulations (other than those governing health, safety, and civil rights); it accepts accountability for results in exchange for autonomy in the choice of methods for achieving those results. States determine further specificity of the law. Depending on the state law, parents, a group of teachers, universities, or businesses may charter a school and design the curriculum.

Child-centered funding: A school financing plan that allows a single dollar amount, representing both operations and capital funding costs, to follow each student to the school chosen by his or her parents.

Controlled choice: Choice of school limited by court-ordered desegregation guidelines. In Missouri, for example, Kansas City and St. Louis must observe strict racial guidelines for the enrollment of students in city schools. Parents are limited to choices that will not upset the racial balance of a particular school.

Education savings accounts: Accounts, similar to individual retirement accounts (IRAs), in which individuals save a certain amount of post-tax dollars each year for the educational benefit of a student. The amount in the account, with the interest that accrues, can be withdrawn tax-free to pay a student's education-related expenses in grades K–16 at a school of choice.

Full choice: Choice that includes public (including charter), private, and parochial or religious schools. Also known as "publicly funded private school choice."

Inter-district choice: Choice that allows students to cross district lines. Some states, such as Alabama, allow inter-district choice among only a limited number of districts.

Intra-district choice: Open enrollment among schools within a particular district. Also known as transfers.

Magnet schools: Public schools that offer specialized programs. Sometimes used as a voluntary method to achieve racial balance when districts are under court order to desegregate. Magnet schools offer students an option or a substitute for their own location-based school assignments.

Mandatory statewide choice: See open enrollment.

Open enrollment: System that allows parents to decide which public school their children will attend in the state, rather than assigning each child to a school based on home location. With voluntary open enrollment, the district is not required to offer a choice, but may allow parents to choose the schools their children attend. With mandatory open enrollment, the district must allow parents this option.

Post-secondary enrollment options: Choice of enrollment that allows high school students (usually juniors or seniors) to enroll in courses at state universities or community colleges at government expense and receive high school and college credits for those courses. The money allocated for the student's education pays for the courses selected, thus forcing high schools to compete with colleges for students.

Private voucher programs: Programs supported by individuals, businesses, and other groups that give vouchers or scholarships directly to low-income children to enable them to attend private schools of choice. Programs differ by the types of support they give to families, the types of schools that are eligible, and the K–12 grades that are eligible. Also known as "privately funded school choice."

Publicly funded private school choice: Choice that includes state funded vouchers or scholarships to be applied toward tuition fees at a public, private, parochial, or religious school, or a charter school of the parent's choice. Additionally includes tax credits and deductions that help defray the cost of tuition expenses at a school of choice.

Public school choice: Choice only among public and charter schools. Includes open-enrollment policies, such as inter-district and intradistrict transfers.

Scholarships: Certificates with a designated dollar value that may be applied toward tuition or fees at a public or private school of the parent's choice. Also called as "vouchers," "tuition scholarships," or "opportunity scholarships."

Site-based management: System under which responsibility for decisions affecting the personnel and educational policies of a school is shifted from a central administration or school board to committees of teachers and the principal of that school (and perhaps to parents).

Tax credits and/or deductions: Funding method that facilitates choice by empowering parents to claim a credit or deduction against their state income or property taxes for approved educational expenses, including private school tuition, books, tutors, or transportation. Tax credits are a dollar-for-dollar refund for approved educational expenses. Tax deductions provide only a percentage of a refund for approved educational expenses. Most programs include income caps, which vary from state to state, and restrictions on the amount a parent can claim. The U.S. Supreme Court has ruled that education tax credits and deductions are constitutional.

Tuitioning laws: Laws that reimburse parents who live in certain districts or towns without public schools for the cost of sending their children to a non-religious private school or a public school in a neighboring district or state. See, for example, Maine and Vermont.

Voluntary choice: See open enrollment.

Vouchers: Certificates with a designated dollar value that may be applied toward tuition or fees at the public or private educational institution of the parent's choice. Used in much the same way that food stamps are used to buy food and housing vouchers are used to defray the cost of rent. Similar to Pell Grants, in which the government provides a student with a designated dollar amount in the form of a scholarship, to apply toward tuition at a public, private, or religious college or university of choice. In effect, this separates the government financing of education from the government operation of schools.

APPENDIX

Select List of National Organizations that Promote School Choice

Alexis de Tocqueville Institution
1611 North Kent Street, Suite 901
Arlington, VA 22209
Phone: (703) 351-4969
Fax: (703) 351-0090
Web site: www.adti.net

Alliance for the Separation of School & State
4578 North First Street, Suite 310
Fresno, CA 93726
Phone: (559) 292-1776
Fax: (559) 292-7582
Web site: www.sepschool.org

American Association of Christian Schools
P.O. Box 1097
Independence, MO 64051-0597
Phone: (816) 252-9900
Fax: (816) 252-6700
Web site: www.aacs.org

American Education Reform Foundation
2025 North Summit Avenue, Suite 103
Milwaukee, WI 53202
Phone: (414) 319-9160
Fax: (414) 765-0220

American Enterprise Institute
1150 17th Street, NW
Washington, DC 20036
Phone: (202) 862-5800
Fax: (202) 862-7178
Web site: www.aei.org

American Legislative Exchange Council (ALEC)
910 17th Street, NW, 5th Floor
Washington, DC 20006
Phone: (202) 466-3800
Fax: (202) 466-3801
Web site: www.alec.org

Americans for Community and Faith-Centered Enterprise
1201 Pennsylvania Avenue, NW
Washington, DC 20004
Phone: (202) 661-4740

Americans for Tax Reform
1920 L Street, NW, Suite 200
Washington, DC 20036
Phone: (202) 785-0266
Fax: (202) 785-0261
Web site: www.atr.org

Association of Christian Schools International
723 2nd Street, NE, Suite 100
Washington, DC 20002-4307
Phone: (202) 546-9390
Fax: (202) 546-9370
Web site: www.acsi.org

Black Alliance for Educational Options (BAEO)
1434 W. State Street
Milwaukee, WI 53233
Phone: (414) 288-8203
Fax: (414) 288-2309
Web site: www.baeoonline.org
www.schoolchoiceinfo.org

Cato Institute
1000 Massachusetts Avenue, NW
Washington, DC 20001
Phone: (202) 842-0200
Fax: (202) 842-3490
Web site: www.cato.org

Center for Education Reform
1001 Connecticut Avenue, NW, Suite 204
Washington, DC 20036
Phone: (202) 822-9000
Fax: (202) 822-5077
Web site: www.edreform.com

Center for Educational Innovation
28 West 44th Street
New York, NY 10036
Phone: (212) 302-8800
Fax: (212) 302-0088
Web site: www.ceiintl.org

Center for Individual Rights
1233 20th Street, NW, Suite 300
Washington, DC 20036
Phone: (202) 833-8400
Fax: (202) 833-8410
Web site: www.cir-usa.org

Center for Market-Based Education
P.O. Box 373
Rumney, NH 03266-0373
Phone: (603) 786-9562
Fax: (603) 786-9463

Center for New Black Leadership
202 G Street, NE
Washington, DC 20002
Phone: (202) 546-9505
Fax: (202) 546-9506

Center on Reinventing Public Education
University of Washington
Box 363060
Seattle, WA 98195-3060
Phone: (206) 685-2214
Fax: (206) 616-5769

Children's Education Fund
P.O. Box 225748
Dallas, TX 75222-5748
Phone: (972) 298-1811
Fax: (972) 572-1515

Children First CEO America
P.O. Box 330
901 McClain Road, Suite 802
Bentonville, AR 72712-0330
Phone: (501) 273-6957
Fax: (501) 273-9362
Web site: www.childrenfirstamerica.org

Children's Scholarship Fund (CSF)
7 West 57th Street
New York, NY 10019
Phone: (212) 752-8555
Fax: (212) 750-4252
Web site: www.scholarshipfund.org

Christian Coalition
499 South Capitol St. NW, Suite 615
Washington, DC 20003
Phone: (202) 479-6900
Fax: (202) 479-4260
Web site: www.cc.org

Citizens for a Sound Economy
1250 H Street, NW, Suite 700
Washington, DC 20005
Phone: (202) 783-3870
Fax: (202) 783-4687
Web site: www.cse.org

Citizens for Educational Freedom
9333 Clayton Road
St. Louis, MO 63124
Phone: (314) 997-6361
Fax: (314) 997-6321
Web site: www.Educational-Freedom.org

The Claremont Institute
250 West First Street, Suite 330
Claremont, CA 91711
Phone: (909) 621-6825
Fax: (909) 626-8724
Web site: www.claremont.org

Cornerstone Schools
480 Pierce Street
Birmingham, MI 48009
Phone: (248) 647-9200
Fax: (248) 901-0955

Edison Schools
521 5th Avenue, 11th Floor
New York, NY 10175
Phone: (212) 419-1600
Fax: (212) 419-1604
Web site: www.edisonschools.com

Education Leaders Council
1225 19th St. NW, Suite 400
Washington, DC 20036
Phone: (202) 822-6903
Fax: (202) 822-5077
Web site: www.educationleaders.org/

Education Policy Institute
4401-A Connecticut Avenue, NW, Box 294
Washington, DC 20008
Phone: (202) 244-7535
Fax: (202) 244-7584
Web site: www.educationpolicy.org

Empower America
1701 Pennsylvania, Avenue, NW, Suite 900
Washington, DC 20006
Phone: (202) 452-8200
Fax: (202) 833-0388
Web site: www.empower.org

Family Research Council
801 G Street, NW
Washington, DC 20001
Phone: (202) 393-2100
Fax: (202) 393-2134
Web site: www.frc.org

Thomas B. Fordham Foundation
1627 K Street, NW, Suite 600
Washington, DC 20006
Phone: (202) 223-5452
Fax: (202) 223-9226
Web site: www.edexcellence.net

Free Congress Foundation
717 Second Street, NE
Washington, DC 20002
Phone: (202) 546-3000
Fax: (202) 543-5605
Web site: www.freecongress.org

Milton & Rose D. Friedman Foundation
P.O. Box 82078
One American Square, Suite 2440
Indianapolis, IN 46282
Phone: (317) 681-0745
Fax: (317) 681-0945
Web site: www.friedmanfoundation.org

Greater Educational Opportunities Foundation
1800 North Meridian Street, Suite 506
Indianapolis, Indiana 46202
Phone: (317) 283-4711
Fax: (317) 283-4712
Web site: www.geofoundation.org

Heartland Institute
19 South LaSalle, Suite 903
Chicago, IL 60603
Phone: (312) 377-4000
Fax: (312) 377-5000
Web site: www.heartland.org

The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002-4999
Phone: (202) 546-4400
Fax: (202) 546-8328
Web site: www.heritage.org/schools

Hispanic Business Roundtable
611 Pennsylvania Avenue, SE, Suite 196
Washington, DC 20003
Phone: (202) 546-1284
Fax: (703) 837-1507
Web site: www.hbrt.org

The Hoover Institution
Stanford University
Stanford, CA 94305
Phone: (415) 723-1754
Fax: (415) 723-1687
Web site: www.hoover.org

The Hudson Institute
Herman Kahn Center
5395 Emerson Way
Indianapolis, IN 46226
Phone: (317) 545-1000
Fax: (317) 545-9639
Web site: www.hudson.org

Institute for Contemporary Studies
1611 Telegraph Avenue, Suite 902
Oakland, CA 94612
Phone: (510) 238-5010
Fax: (510) 238-8440
Web site: www.icspress.com

Institute for Justice
1717 Pennsylvania Avenue, NW, Suite 200
Washington, DC 20006
Phone: (202) 955-1300
Fax: (202) 955-1329
Web site: www.ij.org

Institute for Policy Innovation
250 South Stemmons, Suite 306
Lewisville, TX 75067
Phone: (512) 608-0083
Fax: (512) 917-2869
Web site: www.ipi.org

Institute for the Transformation of Learning
Marquette University
P.O. Box 1881
Milwaukee, WI 53201-1881
Phone: (414) 288-5775
Fax: (414) 288-6199

Institute on Religion and Public Life
156 Fifth Avenue, Suite 400
New York, NY 10010
Phone: (212) 627-2288
Fax: (212) 627-2184
Web site: www.firstthings.com

Islamic Institute
1920 L Street, NW, Suite 200
Washington, DC 20036
Phone: (202) 955-7174
Fax: (202) 785-0261
Web site: www.islamicinstitute.org

Jewish Policy Center
415 2nd Street, NE
Washington, DC 20002
Phone: (202) 547-7706
Fax: (202) 544-2434

K12
8000 Westpark Drive, Suite 500
McLean, VA 22102
Phone: (703) 748-4005 or (866) 968-7512
Fax: (703) 832-8872
Website: www.k12.com
E-mail: info@k12.com

Landmark Legal Foundation
3100 Broadway, Suite 515
Kansas City, MO 64111
Phone: (816) 931-5559
Fax: (816) 931-1115
Web site: www.landmarklegal.org

The Lexington Institute
1655 North Fort Myer Drive, Suite 325
Arlington, VA 22209
Phone: (703) 522-5828
Fax: (703) 522-5837
Web site: www.lexingtoninstitute.org

Link Institute
270 Redwood Shores Parkway
PMB 514
Redwood City, CA 94065
Phone: (650) 631-1066
Fax: (650) 631-0366
Web site: www.linkinstitute.org

Clare Boothe Luce Policy Institute
112 Elden Street, Suite P
Herndon, VA 20170
Phone: (703) 318-0730
Fax: (703) 318-8867
Web site: www.cblpolicyinstitute.org

The Manhattan Institute
52 Vanderbilt Avenue
New York, NY 10017
Phone: (212) 599-7000
Fax: (212) 599-3494
Web site: www.manhattan-institute.org

Mercatus Center
3401 North Fairfax Drive, Suite 450
Arlington, VA 22201
Phone: (703) 993-4923
Fax: (703) 993-4890
Web site: www.mercatus.org

National Center for Policy Analysis
12655 North Central Expressway, Suite 720
Dallas, TX 75243
Phone: (972) 386-6272
Fax: (972) 386-0924
Web site: www.ncpa.org

National Center for Public Policy Research
777 North Capitol Street, NE, Suite 803
Washington, DC 20002-4239
Phone: (202) 371-1400
Fax: (202) 408-7773
Web site: www.nationalcenter.org

National Right to Read Foundation
Jim Jacobson, President
P.O. Box 490
The Plains, VA 20198
Web site: www.nrrf.org
E-mail: phonicsman@email.msn.com

Pacific Research Institute for Public Policy
755 Sansome Street, Suite 450
San Francisco, CA 94111
Phone: (415) 989-0833
Fax: (415) 989-2411
Web site: www.pacificresearch.org

Partnership for Choice in Education
46 4th Street E, Suite 224
St. Paul, MN 55101-1113
Phone: (651) 293-9196
Fax: (651) 293-9285

Program on Education Policy and Governance
John F. Kennedy School of Government
T308 Harvard University
Cambridge, MA 02138
Phone: (617) 495-7976
Fax: (617) 496-4428
Web site: www.ksg.harvard.edu/pepg

Reason Public Policy Institute
3415 South Sepulveda Boulevard, Suite 400
Los Angeles, CA 90034-6064
Phone: (310) 391-2245
Fax: (310) 391-4395
Web site: www.reason.org

School Choices
19045 State Highway 305
Suite 220, PMB 123
Poulsbo, WA 98370
Phone: (360) 394-9535
Fax: (360) 394-9517
Web site: www.schoolchoices.org

State Policy Network
6255 Arlington Boulevard
Richmond, CA 94805-1601
Phone: (510) 965-9700; (510) 965-9600
Web site: www.spn.org

TEACH America
Georgetown Square
522 4th Street
Wilmette, IL 60091
Phone: (847) 256-8476
Fax: (847) 256-8482

Toussaint Institute
20 Exchange Place, 41st Floor
New York, NY 10005-3201
Phone: (212) 422-5338
Fax: (212) 422-0615

Toward Tradition
P.O. Box 58
Mercer Island, WA 98040
Phone: (206) 236-3046
Fax: (206) 236-3288
Web site: www.towardtradition.org

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"Why Education Reforms Without 'Straight A's' Is Not Real Reform"
by Krista Kafer, *Backgrounder* No. 1436, May 8, 2001

"Why Congress Should Foster Research on School Choice"
by Thomas Dawson, *Executive Memorandum* No. 738, April 13, 2001

"A Guide to the NAEP Academic Achievement Test"
by Krista Kafer, *Backgrounder* No. 1419, March 15, 2001

Trinnietta Gets a Chance: Six Families and Their School Choice Experience
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WHAT'S HAPPENING IN THE STATES

President George W. Bush has made education reform a priority. As he said during the campaign, "Too many schools are failing our children. Rather than subsidizing failure, we ought to free the parent to make a different choice. It could be a public school. It could be a charter school. It could be a tutorial. It could be anything other than the status quo."

What does the President know that the education establishment hopes you don't?

School choice is popular:

- 37 states and the District of Columbia have charter school laws so that children, especially those in failing public schools, have more options to succeed.
- 63 percent of those surveyed recently for the National Education Association (NEA) favor giving parents a tuition voucher of $1,500 a year to send their child to a public, private, or charter school of choice.
- Over 1.25 million low-income parents in over 20,000 communities applied for one of 40,000 scholarships offered by the Children's Scholarship Fund to attend a private school.

School choice works:

- A Goldwater Institute study of Arizona's charter schools found that two or three successive years in them had a greater positive impact on math and reading test scores than did a similar period in the traditional public schools, based on the Stanford 9 achievement test scores of 60,000 students.
- A Manhattan Institute study of a North Carolina scholarship program found that the school choice program cost less to operate and helped low-income students improve academically in safer learning environments.
- A Harvard University study of Milwaukee public schools and a Manhattan Institute study of Florida public schools found that the mere existence of school choice voucher programs in those states fostered improvement in public schools.

Find out why education experts are saying...

"Parents, armed with options and choice, are equipped to ensure their children get the highest quality education possible. Competition among schools can be a powerful motivator to help schools improve the quality and scope of programs they offer and to make sure that young people learn the core knowledge they need to succeed."

—U.S. Secretary of Education Rod Paige

"Our goal ought to be to provide parents with as many choices as possible. A system that assigns kids to schools based on where they live is morally wrong. If a school is failing, the students—regardless of family income—ought to have a choice to leave. We know from experience that the more opportunities we create for them to do so, the higher test scores go for all children."

—Lisa Graham Keegan, CEO, Education Leaders Council

"Every year I look forward to the new edition of *School Choice: What's Happening in the States*. It is one of the most valuable resources available to education reformers who want to know how parents, teachers, legislatures, and governors around the country are improving education."

—Susan Mitchell, American Education Reform Foundation

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